Auto Insurance Rates for First Quarter of 2005 - [Bill 5]

Ontario private passenger auto insurance rates decreased further during the first quarter of 2005 (January 1, 2005 to March 31, 2005).

The rate applications approved during the first quarter of 2005 indicate an average decrease of 1.12%, when weighted by 2003 market share for those insurers making rate changes. The weighted average rate change for the year 2004, was -10.6% for the entire market.

The average price of auto insurance in Ontario at the end of the first quarter of 2005 was 7.46% lower when compared with the end of the first quarter a year earlier. This calculation is based on the renewal effective dates of the rate changes. This compares to the 7.84% average increase reported in the first quarter of 2004 over the first quarter of 2003, and the 19.09% increase reported in the first quarter of 2003 over the first quarter of 2002. The rate decreases approved in the first quarter of 2005 become effective in the second quarter of 2005 or later, for renewal business, and will further reduce the average price of auto insurance at that time.

The approved rate change shown for each insurance company is the average for that particular company.

The impact of a rate change on an individual consumer will vary depending on where the consumer lives, the type of car he or she is driving, and other risk characteristics.

The rate changes posted reflect cost saving measures arising from recent reforms to the automobile insurance system, which are being passed on to consumers in the form of lower rates.

FSCO will continue to ensure that insurance companies' rate changes are reasonable and justified, and that the rates insurers charge are balanced with their ability to meet their future claims costs.

ONTARIO PRIVATE PASSENGER AUTOMOBILE INSURANCE RATE FILINGS APPROVED JANUARY 1, 2005 TO MARCH 31, 2005

Insurer	**2003 Market Share**	**Effective New Business Date**	**Effective Renewal Business Date**	**Approved Rate Change**
CAA Insurance Company (Ontario)	1.39%	15-Mar-05	20-Apr-05	-0.10%
Chubb Insurance Company of Canada**(1)**	0.44%	21-Mar-05	19-Jun-05	0.00%
Coachman Insurance Company **(1)**	0.24%	01-Jun-05	01-Jun-05	0.00%
CUMIS General Insurance Company **(2)**	0.20%	01-Feb-05	01-May-05	0.00%
Elite Insurance Company **(3)**	0.00%	24-Feb-05	N/A	0.00%

Gore Mutual Insurance Company	0.98%	01-Apr-05	01-Jun-05	-3.20%
Gore Mutual Insurance Company	0.98%	09-May-05	09-Jul-05	-2.30%
Lloyd's Underwriters	0.13%	01-Apr-05	01-May-05	-3.84%
RBC General Insurance Company	1.87%	09-May-05	23-Jun-05	-0.90%
Royal & Sun Alliance Insurance Company	2.25%	01-Mar-05	01-Apr-05	-0.30%

Total Market Share Represented	7.50%
Weighted Average Rate Change	-1.12%

(1) Rate changes with no overall impact.
(2) Rating rule change only.
(3) Introduction of a new rate program.