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Auto Insurance Rates for the Fourth Quarter of 2011

The Government passed regulations to enact auto insurance reforms effective September 1, 2010. These reforms are designed to reduce excess assessment costs in the auto insurance system and ensure more accident benefit dollars go to treating people injured in auto accidents.

Ontario drivers now have more choice when it comes to their auto insurance coverage. Drivers can opt for a new standard level of auto insurance coverage, or they can choose to buy additional levels of coverage based on their own circumstances.

As part of the reforms, drivers will also benefit from the new consumer protection measures, including the implementation of a regulation that prohibits the use of a driver's credit rating in connection with auto insurance.

Rate filings approved during the fourth quarter of 2011 (October 1, 2011 to December 31, 2011) averaged 0.84%, based on the entire market.

In the fourth quarter of 2011, for the 45.63% of the market that had rate changes approved, the average rate change was 1.84%, when weighted by market share.

The rate changes approved in the fourth quarter of 2011 become effective in the fourth quarter or later.

The approved rate change shown for each insurance company is the average for that company based on all the consumers it insures. An individual consumer may experience a rate change that is either higher or lower than the average, depending on the vehicle insured, where he or she lives and other risk factors as well as choices made by the consumer on coverages purchased and deductible or liability limits. Also, as most consumers purchase annual policies, the rate change from the last renewal will also reflect any changes approved for the insurer in the last year. For more information about auto insurance, please review FSCO’s brochure Understanding Auto Insurance <*http://www.fsco.gov.on.ca/en/auto/brochures/Pages/brochure_autoins.asp*> .

Ontario has a very competitive auto insurance market. Rates vary from company to company because each company bases its rates on its own claims costs and uses a different set of risk characteristics to determine the rate for a specific consumer. FSCO reviews filings from companies to ensure that the rates proposed are justified based on claims costs and other operating costs. As a result of FSCO’s review, an insurance company may be required to amend its proposed rates before the rates are approved.

FSCO's Understanding Rates/An Interactive Tool <*http://www5.fsco.gov.on.ca/autorate/*> demonstrates how rates for the same coverage can vary from company to company. You can see how rates will vary depending upon whether you choose to purchase a policy with standard Accident Benefits coverage or with other optional coverages as well as your personal profile.

FSCO will continue to ensure that rate changes by insurance companies are reasonable and justified, and that rates charged are balanced with the ability of companies to meet future claims costs.

ONTARIO PRIVATE PASSENGER AUTOMOBILE INSURANCE RATE FILINGS APPROVED
October 1, 2011 to December 31, 2011

Insurer	2010 Market Share	Effective New Business Date	Effective Renewal Business Date	Approved Rate change
Aviva Insurance Company of Canada (1)	4.65	01-Nov-11	01-Nov-11	3.54
Belair Insurance Company Inc.	0.08	16-Dec-11	16-Dec-11	0.80
Coachman Insurance Company	0.36	01-Jan-12	01-Jan-12	9.00
CUMIS General Insurance Company	0.30	01-Jan-12	01-Jan-12	6.49
Echelon General Insurance Company	0.88	01-Jan-12	15-Feb-12	2.60
Intact Insurance Company	9.98	15-Jan-12	15-Feb-12	-2.32
Lombard General Insurance Company of Canada	0.05	01-Jan-12	01-Jan-12	6.26
Lombard Insurance Company	0.94	01-Jan-12	01-Jan-12	6.01
Nordic Insurance Company of Canada, The (1)	3.03	16-Dec-11	16-Dec-11	0.12
Nordic Insurance Company of Canada, The	3.03	04-Nov-11	16-Dec-11	-2.51
North Waterloo Farmers Mutual Insurance Company (2)	0.27	01-Dec-11	01-Jan-12	0.00
Pafco Insurance Company	0.57	01-Jan-12	01-Mar-12	1.80
Primmum Insurance Company (1)	1.70	01-Sep-11	01-Sep-11	0.00
Primmum Insurance Company	1.70	30-Mar-12	09-Apr-12	6.13
RBC General Insurance Company	3.15	17-Oct-11	01-Dec-11	3.94
Scottish & York Insurance Co. Limited (1)	0.68	01-Nov-11	01-Nov-11	1.41
Security National Insurance Company	5.99	25-Feb-12	5-Mar-12	2.98
Security National Insurance Company (1)	5.99	01-Sep-11	01-Sep-11	0.00
TD General Insurance Company	2.38	25-Feb-12	5-Mar-12	6.94
TD General Insurance Company (1)	2.38	01-Sep-11	01-Sep-11	0.00
TD Home and Auto Insurance Company (1)	1.56	01-Sep-11	01-Sep-11	0.00
TD Home and Auto Insurance Company	1.56	30-Mar-12	9-Apr-12	3.54
Tokio Marine & Nichido Fire Insurance Company Limited	0.01	01-Jan-12	01-Jan-12	-12.63
Traders General Insurance Company (1)	2.50	01-Nov-11	01-Nov-11	0.84

Trafalgar Insurance Company of Canada	1.51	04-Nov-11	16-Dec-11	-1.79
Trafalgar Insurance Company of Canada (1)	1.51	16-Dec-11	16-Dec-11	0.26
Trafalgar Insurance Company of Canada	1.51	01-Feb-12	01-Feb-12	0.51
Unifund Assurance Company	3.98	19-Dec-11	01-Mar-12	4.98
Western Assurance Company	1.06	01-Mar-12	29-Apr-12	-0.35
Western Assurance Company (2)	1.06	14-Nov-11	14-Nov-11	0.00

1. Annual rate cap filing impact – This is the estimated residual impact of a previously approved rate filing that introduced rate capping procedures. The purpose of rate capping is to minimize the rate change for a particular risk over a period of time.
2. Rate changes with no overall impact.

Total Market Share Represented: 45.63%

Weighted Average Rate Change: 1.84%

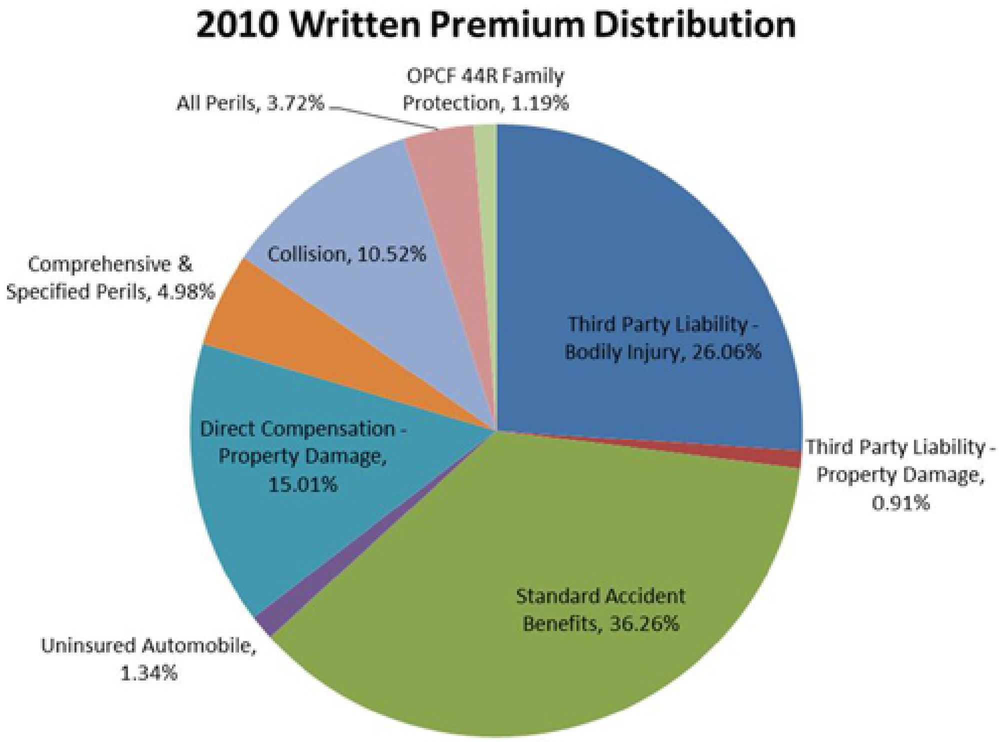
When an insurance company adjusts its rates for any given coverage, it means that the company has experienced a change in the claims costs for that coverage. For example, an increase to rates for Accident Benefits coverage would indicate that an insurance company has experienced an increased number and/ or increased average cost of Accident Benefit claims. A company must provide its claims costs for each coverage in support of any change in rates. The weighted average approved rate change shown is the average for each coverage based on the company filings that were approved during the quarter.

APPROVED RATE CHANGE BY COVERAGE
October 1, 2011 to December 31, 2011

Coverage	Weighted Average Rate Change
Third Party Liability-Bodily Injury	1.90%
Third Party Liability-Property Damage	3.47%
Standard Accident Benefits	2.63%
Uninsured Automobile	1.80%
Direct Compensation-Property Damage	-0.60%
Specified Perils	-0.78%
Comprehensive	-1.78%

Collision	-0.96%
All Perils	-1.48%
OPCF 44R Family Protection	0.06%

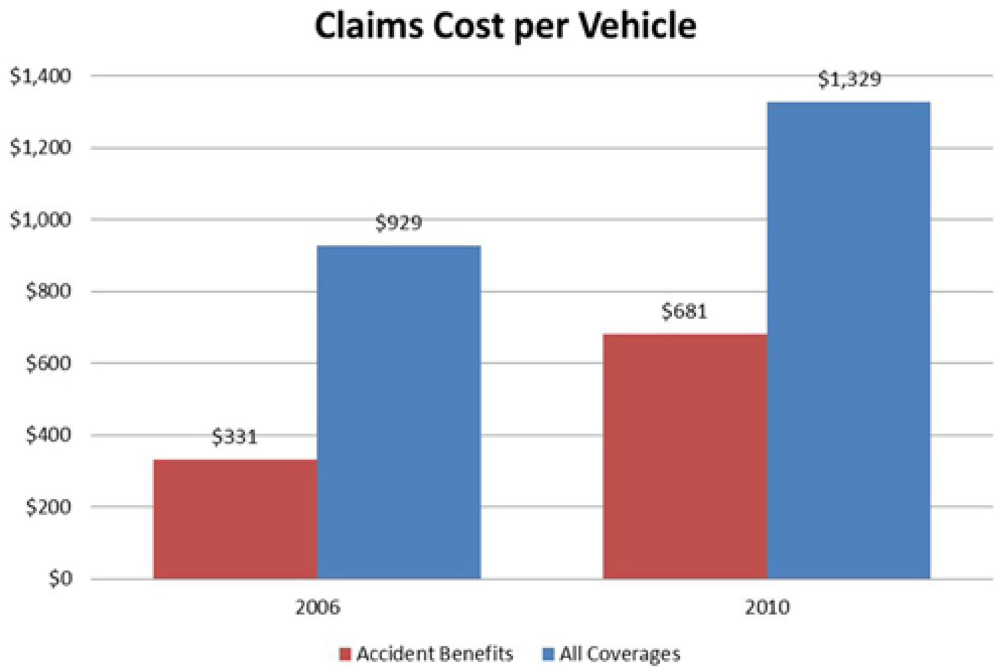
This pie chart illustrates what coverages consumers buy with their premium dollars based on 2010 written premiums. It shows that most premium dollars go towards purchasing standard Accident Benefits:



Source: GISA Exhibit AU05-N

The following graph shows that Accident Benefits claims costs per vehicle have increased by 105% over the last four years. The Accident Benefits claims costs per vehicle increased by 6% from 2009 to 2010.

The Ontario Government introduced auto insurance reforms that became effective September 1, 2010 and FSCO continues to monitor the impact of the 2010 reforms.



Source: GISA Exhibit AU05-N