Auto Insurance Rates for the Second Quarter of 2012

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

Rate filings approved during the second quarter of 2012 (April 1, 2012 to June 30, 2012) remained flat, averaging +0.06%, based on the entire market. As a result, auto insurance rates declined by 0.12% in the first half of 2012.

The rate changes approved in the second quarter of 2012 take effect on the dates indicated in the table below.

The approved rate change shown for each insurance company is the average for that company based on all the drivers it insures. An individual policyholder 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 policyholder on coverages purchased and deductible or liability limits. Also, as most policyholders 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**.

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** 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
April 1, 2012 to June 30, 2012

Insurer	2011 Market Share	Effective New Business Date	Effective Renewal Business Date	Approved Rate change
ACE INA Insurance (1)	0.00	1-Jul-12	1-Jul-12	0.00
Allstate Insurance Company of Canada (1)	3.67	15-Jun-12	15-Aug-12	0.00
Arch Insurance Company (1)	0.00	1-Jul-12	1-Jul-12	0.00
Aviva Insurance Company of Canada (2)	5.22	1-Jul-12	1-Sep-12	0.00
Aviva Insurance Company of Canada (1)	5.22	1-Sep-12	1-Oct-12	0.00
Belair Insurance Company Inc. (1)	0.06	15-Jul-12	8-Sep-12	0.00
Certas Direct Insurance Company (2)	2.39	20-Jul-12	18-Sep-12	0.00

	Certas Home and Auto Insurance Company (2)	0.01	20-Jul-12	18-Sep-12	0.00
	Chartis Insurance Company of Canada (1)	0.04	1-Sep-12	1-Dec-12	0.00
	Chubb Insurance Company of Canada (incl. Mitsui Sumitomo and Federal Insurance Companies)	0.52	30-Jul-12	28-Oct-12	2.34
	Coachman Insurance Company (1)	0.53	1-Sep-12	1-Sep-12	0.00
	Co-operators General Insurance Company (1)	4.12	27-Jul-12	27-Jul-12	-0.92
	COSECO Insurance Company (1)	1.04	1-Oct-12	1-Nov-12	-0.27
	CUMIS General Insurance Company (1)	0.34	1-Oct-12	1-Nov-12	-0.04
	Dominion of Canada General Insurance Company, The (1)	4.94	1-Oct-12	1-Dec-12	-0.04
	Dominion of Canada General Insurance Company, The (2)	4.94	1-Jun-12	1-Aug-12	0.00
	Dominion of Canada General Insurance Company, The	4.94	15-Apr-12	10-Jun-12	0.40
	Echelon General Insurance Company (1)	0.72	15-Jul-12	15-Aug-12	0.00
	Economical Mutual Insurance Company (1)	3.25	17-Jul-12	1-Oct-12	0.00
	Farm Mutual Reinsurance Plan Inc. (on behalf of Ontario Mutuals) (1)	1.82	1-Oct-12	1-Oct-12	0.00
	Farmers’ Mutual Insurance Company (Lindsay) (1)	0.32	1-Aug-12	1-Aug-12	0.00
	Federated Insurance Company of Canada (1)	0.03	15-Jul-12	15-Jul-12	0.00
	Gore Mutual Insurance Company (1)	1.49	1-Aug-12	1-Aug-12	0.00
	Intact Insurance Company (1)	9.91	15-Jul-12	15-Aug-12	-0.06
	Jevco Insurance Company (1)	1.29	15-Jul-12	15-Sep-12	0.00
	Motors Insurance Corporation (1)	0.59	6-Jul-12	30-Aug-12	0.00
	Nordic Insurance Company of Canada, The (1)	2.83	15-Jul-12	8-Sep-12	0.00
	North Waterloo Farmers Mutual Insurance Company (1)	0.29	1-Oct-12	1-Oct-12	0.00
	Northbridge General Insurance Corporation (1)	0.01	1-Dec-12	1-Dec-12	0.00
	Northbridge Personal Insurance Corporation (1)	0.93	1-Dec-12	1-Dec-12	0.00
	Novex Insurance Company (1)	0.84	15-Jul-12	15-Aug-12	-0.01
	Optimum Insurance Company Inc. (1)	0.27	15-Jun-12	1-Aug-12	0.00
	Pafco Insurance Company (1)	0.72	15-Jun-12	15-Aug-12	0.00
	Pembridge Insurance Company (1)	0.88	15-Jun-12	15-Aug-12	0.00
	Personal Insurance Company, The (2)	3.14	20-Jul-12	18-Sep-12	0.00
	Perth Insurance Company	0.66	1-Aug-12	15-Oct-12	-0.99
	Perth Insurance Company (1)	0.66	17-Jul-12	1-Oct-12	0.00
	Portage La Prairie Mutual Insurance Company (1)	0.26	1-Aug-12	1-Sep-12	0.00
	RBC Insurance Company of Canada	1.07	1-Jul-12	7-Sep-12	12.00
	Royal & SunAlliance Insurance Company of Canada (1)	1.39	1-Aug-12	15-Sep-12	0.00
	Scottish & York Insurance Co. Limited (2)	0.81	1-Jul-12	1-Sep-12	0.00
	Scottish & York Insurance Co. Limited (1)	0.81	1-Sep-12	1-Oct-12	0.00
	Sovereign General Insurance Company, The (1)	0.00	3-Jul-12	20-Aug-12	-1.85
	Tokio Marine and Nichido Fire Insurance Company Limited (1)	0.00	1-Dec-12	1-Dec-12	0.00
	Traders General Insurance Company (1)	2.19	1-Sep-12	1-Oct-12	0.00
	Traders General Insurance Company (2)	2.19	1-Jul-12	1-Sep-12	0.00
	Trafalgar Insurance Company of Canada (1)	1.32	15-Jul-12	15-Aug-12	-0.02

	Unica Insurance Inc. (2)	0.65	18-Aug-12	18-Sep-12	0.00
	Unica Insurance Inc. (1)	0.65	15-Jul-12	15-Sep-12	0.00
	Unica Insurance Inc.	0.65	15-Jul-12	15-Sep-12	-1.97
	Unifund Assurance Company (2)	4.18	15-Jun-12	15-Jun-12	0.00
	Waterloo Insurance Company (1)	0.71	17-Jul-12	1-Oct-12	0.00
	Waterloo Insurance Company	0.71	23-Jul-12	5-Oct-12	-1.79
	Wawanesa Mutual Insurance Company, The (1)	4.45	1-Dec-12	1-Dec-12	0.00
	Western Assurance Company (1)	1.13	1-Aug-12	15-Sep-12	0.00
	Western Assurance Company	1.13	1-Sep-12	20-Oct-12	-1.65
	XL Insurance Company Limited (1)	0.00	1-Jul-12	1-Jul-12	0.00
	Zenith Insurance Company (1)	0.41	1-Dec-12	1-Dec-12	0.00
	Zurich Insurance Company Ltd (1)	0.00	30-Jun-12	31-Aug-12	0.00

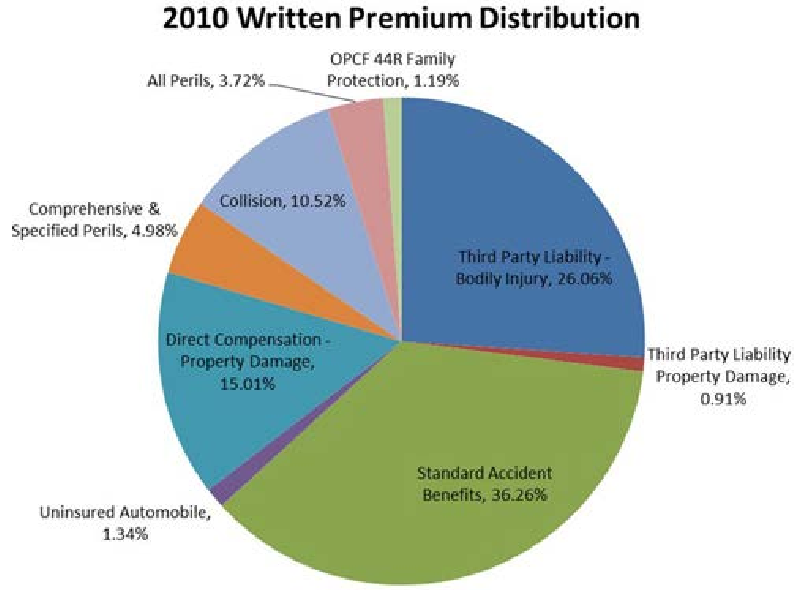
1. Implementation of CLEAR update.
2. Rate changes with no overall impact.

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 average approved rate change shown is the average for each coverage based on the company filings.

APPROVED RATE CHANGE BY COVERAGE
April 1, 2012 to June 30, 2012

Coverage	Average Rate Change
Third Party Liability-Bodily Injury	0.18%
Third Party Liability-Property Damage	0.00%
Standard Accident Benefits	0.14%
Uninsured Automobile	0.00%
Direct Compensation-Property Damage	-0.11%
Specified Perils	0.00%
Comprehensive	-0.05%
Collision	-0.06%
All Perils	-0.05%
OPCF 44R Family Protection	0.00%

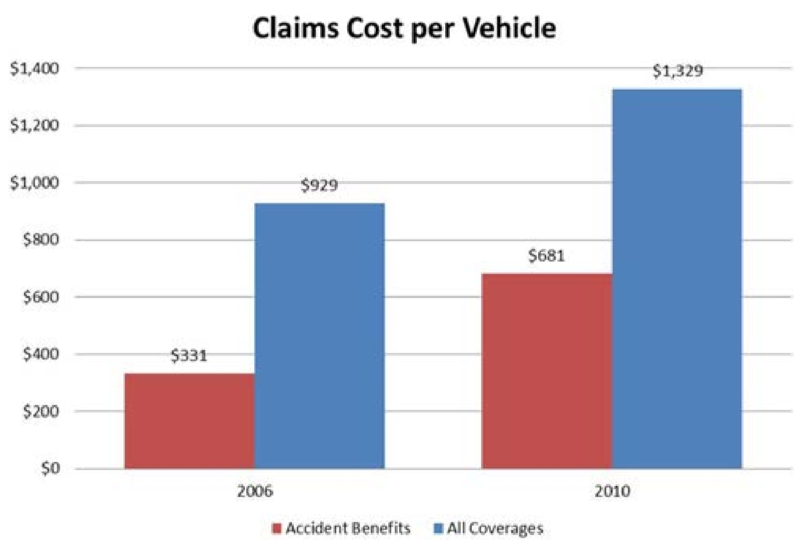
This pie chart illustrates what coverages consumers buy with their premium dollars based on 2010 written premiums. It shows that most premium dollars go towards purchasing standard Accident Benefits:



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