Auto Insurance Rates for the First Quarter of 2016

This notice provides an overview of the private passenger automobile insuran ordered by the Financial Services Commission of Ontario (FSCO) for filings rev 2016. The number of filings reviewed by FSCO and the overall average rate cl may vary from quarter to quarter, based on updated information about claims and other financial factors and the resulting impact that these factors have or insurance company's current rates.

This quarter reflects rate approvals related to automobile insurance reforms e to reduce costs and fraud in the auto insurance system. These changes, effec reductions to the compulsory standard Accident Benefits coverage, with the c consumers to buy enhanced optional benefits. Changes also included a prohib minor accidents that occur on or after June 1, 2016. Insurers were required t insurance reform filings to FSCO by October 30, 2015 to reflect these change

Average Rate Changes

FSCO approved 50 private passenger automobile insurance rate filings during All 50 filings were automobile insurance reform filings. A total of 50 insurers

These 50 insurers represent 83.36% of the market based on premium volume on average by 3.07% when applied across the total market. Rate changes ap quarter and effective dates of the rate changes are shown in Table 1.

This compares to a decrease of 0.15% on average for the fourth quarter of 20

Individual Rates

The rate change shown for each insurance company is the average for that co drivers it insures.

However, an individual policyholder may experience a rate change that is eith industry-wide average rate change, or the average rate change for a particula several factors, such as:

- the vehicle insured;
- where he or she lives, driving experience; and at-fault accident and whether the vehicle is used for pleasure or commuting, and other ri
- choices made by the policyholder on coverages purchased and dedu

Also, as most policyholders purchase annual policies, any changes approved f prior to the policy renewal date, or changes in the policyholder's circumstance (e.g., at-fault accidents, driving convictions), will impact the policyholder's ra

Consumers are urged to shop around for auto insurance. Ontario has a very c
Rates for the same coverage vary based on each insurer's claims experience a
system.

FSCO has **several resources** to help consumers better understand auto insu
shopping around and saving on auto insurance and **information on wh
mean**.

FSCO's Rate Approval Process

Insurers must submit proposed changes to their rates to FSCO for approval al
actuarial data.

FSCO and its actuaries review this data and insurers' assumptions regarding c
investment income to ensure that, as required by law, the proposed rates are

- just and reasonable;
- not excessive;
- not going to impair a company's financial solvency.

As a result of FSCO's review, an insurance company may be required to amer
they are approved.

Most premium dollars collected by insurers go towards paying for claims for p
accidents. Insured persons who are injured can make a claim for Accident Ber
fault.

In some cases, seriously injured parties can also make a claim by launching a
driver. These claims are paid under the Third Party Liability – Bodily Injury (T
automobile insurance policy. The AB and TPL coverages account for 61.5% of
Graph 1.

When an insurance company adjusts its rates for a particular coverage, it mea
experienced a change in the claims costs for that coverage. For example, an i
coverage would indicate that an insurer has experienced a higher number or l
injury claims. A company must provide claims costs data to FSCO when propo
coverage.

It is important to understand the coverages available to consumers under an
in Ontario. FSCO has a number of **consumer-friendly descriptions of thes
its website**.

Automobile Insurance Cost and Rate Reduction Strategy

The Ontario Government initiated a cost and rate reduction strategy in the 20
continued on a path of reforms aimed at reducing costs and increasing consur
successive budgets in 2014 and 2015. The cost and rate reduction strategy bu
and includes further measures aimed at reducing costs and fraud in the auto i

Awareness is a vital part of combatting auto insurance fraud. FSCO has **a frau** **information for consumers about detecting and avoiding fraud** on its w

Table 1

Ontario Private Passenger Automobile Insurance Rate Filings Approved/Order

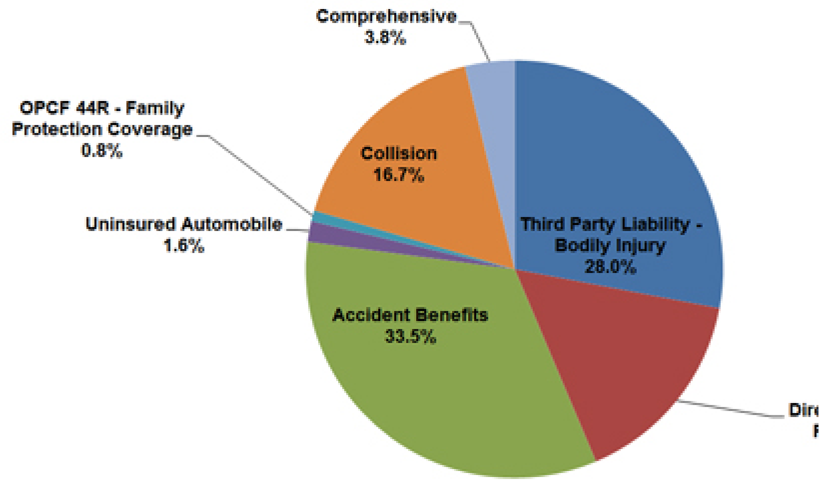
Filings reviewed January 1, 2016 – March 31, 2016

Insurer	2014 Market Share (%)	Effective New Business Date
AIG Insurance Company of Canada	0.04	1-Jun-16
Allstate Insurance Company of Canada	5.06	1-Jun-16
Aviva Insurance Company of Canada	6.21	1-Jun-16
Belair Insurance Company Inc.	0.08	1-Jun-16
CAA Insurance Company	1.27	1-Jun-16
Certas Direct Insurance Company	2.61	1-Jun-16
Certas Home and Auto Insurance Company	9.47	1-Jun-16
Chubb Insurance Company of Canada (incl. Mitsui Sumitomo Insurance Company, Limited and Federal Insurance Company)	0.51	1-Jun-16
Coachman Insurance Company	0.41	1-Jun-16
Commonwell Mutual Insurance Group, The	0.39	1-Jun-16
COSECO Insurance Company	1.18	1-Jun-16
CUMIS General Insurance Company	0.36	1-Jun-16
Dominion of Canada General Insurance Company, The	4.42	1-Jun-16
Echelon Insurance	0.61	1-Jun-16
Economical Mutual Insurance Company	3.44	1-Jun-16
Farm Mutual Reinsurance Plan Inc. (on behalf of Ontario Mutuals)	1.65	1-Jun-16
Federated Insurance Company of Canada	0.02	1-Jun-16
Gore Mutual Insurance Company	1.57	1-Jun-16
Guarantee Company of North America, The	0.61	1-Jun-16
Hartford Fire Insurance Company	0.00	1-Jun-16
Heartland Farm Mutual Inc.	0.31	1-Jun-16

Intact Insurance Company	10.02	1-Jun-16
Jevco Insurance Company	0.80	1-Jun-16
Nordic Insurance Company of Canada, The	4.35	1-Jun-16
Northbridge General Insurance Corporation	0.01	1-Jun-16
Northbridge Personal Insurance Corporation	0.71	1-Jun-16
Novex Insurance Company	1.02	1-Jun-16
Optimum Insurance Company Inc.	0.25	1-Jun-16
Pafco Insurance Company	0.67	1-Jun-16
Pembridge Insurance Company	1.42	1-Jun-16
Personal Insurance Company, The	3.80	1-Jun-16
Perth Insurance Company	0.95	1-Jun-16
Pilot Insurance Company	0.00	1-Jun-16
Portage La Prairie Mutual Insurance Company, The	0.27	1-Jun-16
RBC General Insurance Company	4.52	1-Jun-16
Royal & SunAlliance Insurance Company of Canada	1.07	1-Jun-16
S & Y Insurance Company	0.00	1-Jun-16
Scottish & York Insurance Co. Limited	1.11	1-Jun-16
SGI CANADA Insurance Services Ltd.	0.00	1-Jun-16
Sovereign General Insurance Company, The	0.00	1-Jun-16
Tokio Marine and Nichido Fire Insurance Co., Ltd.	0.01	1-Jun-16
Traders General Insurance Company	1.79	1-Jun-16
Unica Insurance Inc.	0.61	1-Jun-16
Unifund Assurance Company	3.73	1-Jun-16
Waterloo Insurance Company	0.86	1-Jun-16
Wawanesa Mutual Insurance Company, The	3.64	1-Jun-16
Western Assurance Company	1.16	1-Jun-16
XL Insurance Company SE	0.00	1-Jun-16
Zenith Insurance Company	0.37	1-Jun-16
Zurich Insurance Company Ltd	0.00	1-Jun-16
Total Market Impact		

Graph 1

% of Claim Costs by Coverage for Accidents in 2014



2014 GISA Automobile Statistical Plan AUTO1005 Private Passenger excludin
Exhibit

Accessible Description of Graph 1:

Accident benefits 33.5 percent, Third-party liability bodily injury 28 percent, D
property damage 15.6 percent, Collision 16.7 percent, Comprehensive 3.8 pe
1.6 percent, OPCF 44R Family Protection Coverage 0.8 percent.