

ONTARIANS OFFER SOME PERSPECTIVES ON AUTO INSURANCE



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ONTARIANS OFFER SOME PERSPECTIVES ON AUTO INSURANCE

Toronto, ON – According to a new Ipsos-Reid survey conducted on behalf of President's Choice Financial, nine in ten (90%) Ontarians who currently have auto insurance think it would be a benefit if every year they did not make a claim for loss or damage their auto insurance deductible decreased by 20%, and after 5 consecutive years it disappeared completely. Moreover, 82% would consider switching to an auto insurance provider that offered this 'disappearing deductible.'

The survey also finds that six in ten (59%) Ontario residents who currently have auto insurance say they don't know how their auto insurance provider calculates their auto insurance rate. And, when selecting an auto insurance policy, two thirds (64%) say they are likely to shop around and compare prices from a variety of insurance providers.

These are the findings of an Ipsos-Reid/President's Choice Financial poll conducted from March 22nd to March 24th and March 29th to March 31st, 2005. For the survey, a representative randomly selected sample of 840 adult residents of Ontario who currently have auto insurance was interviewed by telephone. With a sample of this size, the results are considered accurate to within ± 3.4 percentage points, 19 times out of 20, of what they would have been had the entire population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

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The ‘Disappearing Deductible’...

Respondents were read the following statement, “As you may know, most people must pay an auto insurance deductible each time they make a claim for loss or damage coverage, meaning that the insurance company will pay for the loss or damage, but the person making the claim needs to pay a fixed amount of the cost each time. The amount of the deductible varies from person to person, for some people it may be \$250 for others it may be \$1000.” And then asked, “As a consumer, would you view it as a benefit if every year you did not make a claim for loss or damage your auto insurance deductible decreased by 20%, and after 5 consecutive years without making a claim it disappeared completely and you didn’t have to pay one at all?” Nine in ten (90%) Ontarians who currently have auto insurance say “yes” they would consider it to be a benefit, 9% say “no” and 1% is unsure.

- There are no statistically significant regional or demographic trends with respect to this question.

Asked whether or not they would consider switching to an auto insurance provider that offered this “Disappearing Deductible,” 82% of respondents said “yes,” 14% said “no,” and 4% “don’t know.”

- Ontarians 18-54 years of age who currently have auto insurance are more likely than their elders to consider switching to an auto insurance provider that offered this “Disappearing Deductible” (85% vs. 77%).
- Those with an annual household income of \$60,000 or greater are more likely than those with less to say they would consider switching to an auto insurance provider that offered this “Disappearing Deductible” (87% vs. 80%).



Most Don't Know How Their Auto Insurance Provider Calculates Their Rate... And Most Shop Around

Six in ten (59%) Ontario residents who currently have auto insurance disagree (35% “strongly” and 24% “somewhat”) with the statement, “I know how my auto insurance provider calculates my auto insurance rate.” In contrast, 38% agree (13% “strongly” and 26% “somewhat”) with the statement. Another 3% is unsure.

- There are no statistically significant regional or demographic trends with respect to this question.

When selecting an auto insurance policy, two thirds (64%) of Ontarians who currently have auto insurance say they are likely (43% “very” and 21% “somewhat”) to shop around and compare prices from a variety of insurance providers. Conversely, one-third (35%) is unlikely (22% “very” and 13% “somewhat”) to shop around. Another 1% doesn’t know.

- The propensity to shop around decreases with age: 77% of those 18-34 years of age say they are likely to shop around, 65% of those 35-54 years of age say they are likely, and 53% of those 55 years of age or older say they are likely.
- Women are slightly more likely than men to say they’d be likely to shop around (67% vs. 60%).



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For more information on this news release, please contact:

John Wright
Senior Vice President
Ipsos-Reid
Public Affairs
(416) 324-2900

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