

**THOMPSON'S**  
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**Ontario auto insurers warned  
credit scoring or other lifestyle  
information can't be used for  
underwriting purposes**

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Ontario regulator FSCO has warned auto insurers they can't use credit scoring and other lifestyle information for underwriting purposes.

A bulletin issued Tuesday said what conduct it expects from them and that it expects them to conform.

Failure to do so will result in it taking action as necessary.

The warning follows complaints it received from consumers experiencing difficulties in obtaining quotes or delays in obtaining coverage because some insurers are requiring credit or lifestyle information first.

Or are relying on it in determining how to process quote requests and insurance applications.

The bulletin said: "Quoting and underwriting practices that result in consumers encountering difficulties in obtaining quotes or delays in obtaining insurance are contrary to both the underlying public policy goals and standards as developed by the industry trade association."

There isn't any reason to require, collect or use credit information for purposes of providing a quote.

Renewal business is not to be based on factors that are prohibited for use in underwriting or rating.

Ontario brokers association Randy Carroll said he is pleased with FSCO's response to the complaints.

The situation was getting out of control.  
Dominion of Canada president and ceo  
George Cooke said it never uses credit  
scoring for underwriting purposes.

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**To think home evaluators  
produce anything close to  
rebuild cost ‘laughable at best’  
— broker president**

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Brokers and insurers must clean up the fiasco of confusing home evaluation methods or lose more business to direct writers, warns Alberta brokers association president Ken Dueck.

In his regular column in *The Alberta Broker* Mr. Dueck said the lengthy lists of items and questions on evaluation forms are incomprehensible to brokers, underwriters and customers alike and make brokers appear incompetent in the customers’ eyes.

“To think that this produces anything close to a rebuild cost is laughable at best.

“This is not what these same customers experience when they contact our direct-writing competition that slowly steals 1% of our market share each year.”

**Manitoba brokers association ceo Dave Schioler said it was contemplating its own test of evaluation software against home builders’ actual costs.**

**It shelved that plan when January’s IBAC meeting showed the problem needed a national solution.**

**“There’s no point in every region trying to do their own thing.”**

**There may still be some value in letting software developers battle it out.**

**“Maybe the competition will make the cream rise to the top and it’ll sort itself out.”**

**But there is enough of a feeling the brokers should at least see if there’s anything they can or should do.**

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**ICBC ordered to pay more  
than nine times its offered  
damages to a woman injured in  
collision which was like a  
Chihuahua tackling a St.  
Bernard**

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It was like a Chihuahua tackling a St. Bernard when a 2000 Honda Civic rear-ended a 2005 Ford Escape in Surrey, B.C., in 2006.

It slid under the SUV, striking its spare tire.

There was no structural damage to either vehicle but the Honda's repair bill was three times the Ford's.

Angeline Mariano, a passenger in the SUV, said her soft-tissue injury was painful enough to interfere with her work as a health care aide.

She sought more than \$213,000 in non-pecuniary damages, lost income, loss of earning capacity and retraining for less physically demanding work.

ICBC offered a total of \$12,165 with no provision for retraining or loss of earning capacity.

Justice Linda Loo of B.C. Supreme Court awarded her more than nine times as much, \$115,310.

She had heard Ms. Mariano worked up to 75 hours a week at three medical facilities, lifting and bathing handicapped patients, cooking and cleaning, in constant pain.

"My impression of Ms. Mariano is that she considers one of the main purposes in her life is to work in order to provide for her family."

It was reasonable that she would want to become a licensed practical nurse which would qualify her for less strenuous duties.

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## Briefly . . .

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**Follow-up:** For the second time, the **Stilwell Group** has cancelled a demand for a special meeting of **Kingsway Financial** shareholders (*Thompson's daily insurance news service*, February 10). As happened earlier, it follows moves by the company to take a number of cost-cutting measures in line with the New York investment company's aims and the resignation of a director. Stilwell Group managing partner Joseph Stilwell said the latest request was withdrawn after reaching an "understanding" which sees the retirement of certain other directors at the company agm in April.

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**Ontario's** Finance Ministry is asking individuals, credit unions, organizations and associations to comment on draft regulations modernizing the province's credit union legislation. One objective is to create flexibility to pursue growth and innovation. Others include strengthening governance in the sector, enhancing the ability of credit unions to manage risk and streamlining regulatory requirements while promoting effective regulatory oversight. **The Ontario brokers association** has repeatedly opposed expanding the CUs insurance retailing powers saying it is concerned about privacy and tied selling.

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A dump of snow followed by freezing rain brought havoc to the Trans-Canada Highway in Manitoba and Saskatchewan Feb. 8 and 9 yet produced a surprising small spike in claims at **Manitoba Public Insurance**. More than 1,600 claims were filed on Monday but that was only about 100 more than the previous Monday, said MPI's Brian Smiley. "At this point we're not seeing any significant bump . . . as a result of the very, very icy conditions."

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