



# Staying in Touch

*Tips, strategies, and advice to help you choose the right insurance coverage*



**Dan Lawrie  
Insurance Brokers Ltd.**

*Specialists in Personal and Corporate Insurance*

## Insurance Fraud Hurts Everyone

### **There is no such thing as a little fraud**

There are big lies and little lies, but insurance fraud can be anything from claiming two or three extra CD's being stolen from your car, to claiming large sums of tools stolen from your garage, to falsifying an injury in order to collect weekly indemnity benefits.

Each year, insurance fraud costs Canadians \$3 billion. That means 10 to 15 cents of every dollar you pay as premium is used to cover fraudulent insurance claims. Insurance fraud really does cost everyone.

Insurance fraud costs all of us in the form of higher premiums. If someone you know is committing insurance fraud on a home, car or business policy, you can report it to CrimeStoppers at 1-800-222-TIPS. If your tip helps the police or your insurance company catch an insurance fraud, you may be eligible for a cash reward – your call will remain completely anonymous.

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Your best insurance  
is an Insurance Broker

### **Common types of fraud or attempted fraud include:**

- Lying about the way a loss occurred.
- Adding items or inflating the value items in a claim.
- Filing fraudulent automobile accident or damage claims (i.e. including previously existing damage when submitting a claim).
- Withholding information about past accidents, traffic convictions, claims, policy cancellations or non-renewals.
- Receiving payments for treatments not received.

### **If you are caught committing or attempting to commit insurance fraud:**

- Your claim will be denied.
- Your insurance policy may be cancelled outright.
- You may pay higher premiums in the future.
- You may be denied insurance in the future.
- More importantly, the offense is punishable on conviction, by a maximum of 10 years imprisonment for cases involving an amount over \$5,000 or otherwise a maximum of 2 years imprisonment.



## New School Bus Safety Legislation

Over 800,000 young people are transported safely in school buses every day. Unfortunately, accidents still happen. Most occur as students are boarding or leaving the bus or when they are crossing the street.

Ontario recently passed legislation that allows police to charge the OWNER of any vehicle that illegally passes a stopped school bus. This means it is the owner's responsibility to make sure everyone using their vehicle is aware of this legislation.

Motorists are required by law to stop for a school bus with its upper reds lights flashing. This applies to city

streets, highways or county roads regardless of speed limit or number of lanes. Motorists traveling in both directions must stop. The only exception is on highways separated by a median. In this situation, traffic coming from the opposite direction is not required to stop.

Motorists must not start moving until the red lights have stopped flashing and the bus begins to move. Penalties for not stopping for a school bus can be as high as \$2,000 and six demerit points for the first offense. With your help, we can all help keep our roads and our children safe.

## Attention Young Drivers:

### New rules limit the number of passengers you can carry

Ontario's Graduated Licensing System has been a huge success in reducing death and injury among novice drivers. Research shows that teenage drivers are almost three times more likely to be involved in a fatal or serious collision when they are carrying teenage passengers. In fact, the more teenage passengers, the higher the risk.

#### G2 License Rule changes

To keep Ontario's roads safer, new restrictions were introduced on **September 1, 2005** that limit the number of young passengers a teen-aged G2 driver can carry from midnight to 5 a.m.

- For the first 6 months, G2 drivers 19 or under can carry only one passenger aged 19 or under.
- After 6 months, a G2 driver can carry up to three passengers aged 19 or under.

These restrictions do not apply if:

- The G2 driver is accompanied by a full "G" licensed driver (with at least 4 years driving experience) in the front seat.
- The passengers are immediate family members.
- The driver turns 20 years old.
- The driver earns a full G license.

In addition, G2 drivers must maintain a zero blood alcohol level while driving and never carry more passengers than the number of working seat belts in the vehicle.

### Graduated Licensing at-a-glance

G1

- For new drivers
- Minimum age is 16 yrs, must pass vision & written tests
- Hold for a minimum of 12 months (8 mths. with approved drivers ed course)
- 6 restrictions/considerations including must have an accompanying driver

G2

- For developing drivers
- Must pass G1 road test
- Hold for a minimum of 12 months
- 5 restrictions/considerations including new limit on the # of passengers for teenage drivers

G

- Full license
- Must pass G2 road test

For full details visit [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

## Wow! Over 4 inches of rain in one hour

On August 19, 2005, 103mm (4 inches) of rain fell in a one-hour period in Toronto and parts of Southern Ontario. The \$100 million storm caused massive flooding and damage to 5,200 homes and 700 automobiles. A section of Finch Avenue, a four-lane road in North York was completely washed out (see photos, left) and will cost an estimated \$5 million to repair. While storms of this magnitude are rare, you can be sure they will occur again at some point in the future.

If you live in an area prone to flooding, be prepared.

1. Clear leaves and other debris from eaves troughs, downspouts and catch basins to allow proper drainage.
2. In extreme downpours, even clear eaves troughs can overflow. Make sure the grading around your home drains away from all exterior walls, window wells and other openings.
3. Keep drinking water, canned food, flashlights, spare batteries, a first aid kit, and a transistor radio in your home.

If you are caught in a storm while driving, watch out for flooded roadways, especially low spots like underpasses. If you encounter a flooded underpass, do not attempt to drive through it – take an alternative route instead.

Severe weather can strike at anytime. A little preparation now will serve you well in an emergency.

## When Do I Insure My New Home?

Are you planning to build your dream home soon or thinking about adding an addition to your present home?

**For your protection, you must advise us about your plans before you start construction.**

You will be required to insure for the full replacement value of the project. This may take the form of an endorsement or “course of construction” extension to your current policy, or may require an entirely new policy.

If you are going to act as your own general contractor, you may be charged a higher premium for the increased exposure. You will also be asked to obtain proof of insurance from any subcontractors performing work for you. Some insurers may request a higher deductible during the construction phase.

These can be exciting and hectic times. If you have any questions, please call us. We're here to help.



## Do you tow a trailer?

In Ontario, there are 12 different license classes. Each one qualifies you to drive a different type of vehicle. The class of license you have must match the type of vehicle you are driving.

A “G” class license is the most common in Ontario and allows you to drive any car, van or small truck or combination of vehicle and towed vehicle up to 11,000kg, provided the vehicle being towed is not over 4,600kg.

**For people who tow large camper trailers, travel trailers or 5th Wheel trailers, it is possible to exceed the weight restrictions of a G license.** If your trailer exceeds 4,600 kg or if the total weight of your tow vehicle and trailer exceeds 11,000 kg, you will be in violation of the G class rules and in effect, will be driving without a license.

**Without a valid license, your insurance may be null and void in the event of an accident or claim.**

If your tow vehicle and trailer combination exceeds the weight limit, you should obtain a A class license.

## New rules when approaching a stopped emergency vehicle

If you see an emergency vehicle (police car, ambulance, or fire vehicle) stopped with its red lights flashing on your side of the road or highway, you must slow down and pass with caution.

**If the road has two or more lanes, you now must move over into another lane, if it can be done safely.**

Failing to do so can result in fines up to \$2,000 plus 3 demerit points for the first offence. Subsequent offences within 5 years, can result in fines up to \$4,000, up to 6 months jail time, and a possible 2 year suspension of your driver's license.

As always, if you see or hear an emergency vehicle approaching from either direction, with lights flashing or siren on, you must clear the way by pulling to the right, and if possible, stop to let it pass.

## Making Ontario's Roads Safer for Children

### New Child Booster Seat Legislation

You would never think of dropping a child from a third story window, but in a 50 km/hr car crash, an unrestrained child would suffer similar injuries.

According to the Canadian Hospitals Injury Reporting and Prevention Program, motor vehicle collisions are the leading cause of death and injury among children and youth.

Recently, the Ontario government passed legislation making our roads and highways even safer for children. Studies have shown that children using seat belts instead of booster seats are 3.5 times more likely to suffer significant injury, and 4 times more likely to suffer head injury.

### Now it's the Law!

**All children under the age of eight and weighing between 18 and 36 kg (40-80lbs) must use booster seats.**

A child can start using a seatbelt alone, once any one of the following criteria is met:

- The child turns 8 years old;
- The child weighs 36 kg (80 lbs); or,
- The child is 145 cm (4 feet 9 inches) tall.

This law applies to all drivers, not just parents and legal guardians. Babysitters, grandparents, aunts, uncles or anyone travelling with young children are required to follow the law on the use of car seats. The penalty for failing to comply is a \$90 fine plus a \$20 victim surcharge and 2 demerit points.





## Things Change! So Can Your Liability.

As the nice weather approaches our thoughts turn to getting back outdoors. Maybe this is the year you invest in a family swimming pool.

If you are considering such an investment or have already added one, please let us know. A new swimming pool often increases the value of your home, but it also changes your insurance risk with respect to the liability portion of your homeowner's policy.

A swimming pool can be fun for the entire family as well as friends and guests, but they can be dangerous. Some insurance companies charge a nominal fee to protect you against any lawsuits that may arise from the use – or misuse – of your pool.

Whether you add a swimming pool, a trampoline or anything else that could increase the risk of injury, make sure we adjust your liability coverage accordingly. Don't be left exposed.

If you are not sure, call us today.

## Be Aware of Tow Truck Scams!

Most tow truck operators provide a fair and valuable service to those in need. However, some operators have made side deals with repair shops or storage facilities that pay them a commission for bringing in your vehicle. Not only is this practice unethical, it can result in poor quality repairs or hefty storage, administrative and environmental charges if you decide to change shops.

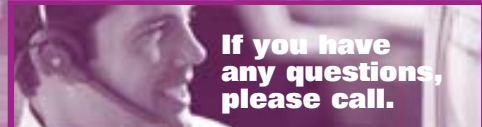
If your vehicle is not drivable after being involved in an accident, have the tow truck operator take it to a Collision Reporting Centre (CRC), if one is available in your area. The centre will pay the towing bill on your behalf and provide 24 hours FREE storage. Your insurance company will then authorize a damage appraisal and arrange to have your vehicle towed to a repair facility of your choice.

If a tow truck operator promises you a free courtesy car, additional bodywork at no cost, or offers to pay your deductible, you are likely being scammed. To avoid being a victim, **Do Not Sign a Waiver** allowing your vehicle to be towed from the Collision Reporting Centre. A reputable towing company will never ask you to sign a waiver.

If you are involved in an accident, call us as soon as possible. We'll answer all your questions.



**Do Not Sign a Waiver allowing your vehicle to be towed from a Collision Reporting Centre (CRC)**



**If you have any questions, please call.**

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