TORONTO Member Motion

City Council

Notice of Motion

MM26.7	ACTION			Ward:All

Province of Ontario to Amend Insurance Act to Preclude Risk Assessment Based on Postal Code - by Councillor Michelle Berardinetti, seconded by Councillor Peter Milczyn

**** Notice of this Motion has been given.***
**** This Motion is subject to referral to the Executive Committee. A two thirds vote is required to waive referral.***

Recommendations

Councillor Michelle Berardinetti, seconded by Councillor Peter Milczyn, recommends that:

1. City Council request the Province of Ontario to amend the Insurance Act to prohibit the automobile insurance companies from undertaking risk assessments for clients that are premised upon residential address as this practice, determined primarily upon postal code designation, is demonstrably unfair to a significant number of residents insured within certain communities across the City of Toronto.

2. City Council direct the City Manager to contact automobile insurance companies operating within Ontario to convey the assertion of City Council that residency based automobile insurance premium assessments are fundamentally unfair to many residents of the City of Toronto and that they are requested to desist from utilizing this mechanism in determining premiums.

Summary

Automobile insurance companies in the Province of Ontario are including in their risk assessment protocols the use of postal codes (i.e. residential addresses). This results in automobile insurance consumers being unfairly penalized based solely upon where they live as opposed to standard insurance risk factors such as driving history. In many instances, the use of postal code (residential addresses) for this type of assessment can mean considerably higher insurance premiums for residents who may in fact have perfect driving records and otherwise low risk factors.

(Submitted to City Council on October 2 and 3, 2012, as MM26.7)

Background Information (City Council)

Member Motion MM26.7