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# W.B. WHITE INSURANCE & FINANCIAL SERVICES

*News and Tips to Make Your Life Easier and Safer for our friends and clients*

## Car Accidents Do Happen! - Be Prepared ...

Before-and-After Guide:

### What to Do If You're in an Auto Accident

**N**o one expects or wishes to call upon their insurance to make a claim. While accidents do happen, the extent to which you are prepared, can help minimize the frustrations that the claim process can entail.

Prepared? How do you "prepare" for an auto accident? There are several ways:

- ❑ **Keep Pens and Paper in Your Vehicle.** If you are involved in an accident, it is important to document all details at the scene. Obtain names, addresses, drivers license numbers, insurance information of the other driver(s) and make, model and plate numbers of the other vehicle(s) involved. Also make a note of any witness's names and phone numbers.
- ❑ **Where to go to have your vehicle repaired.** You normally have the option to take the vehicle where you wish to have it repaired if it is in the vicinity of the accident. Don't let tow truck drivers dictate where they want you vehicle to go. If in doubt as to what body shop to use, ask your broker or adjuster for recommendations as some insurance companies

use "preferred shops" and guarantee their work.

OK, now that you're "prepared" in case of an accident or a loss, what do you do if the accident actually happens?



Bruce Forrester  
Account Executive

- ✓ **Stay calm! It could be a stressful situation but it is important to keep your wits about you.**
- ✓ Given the opportunity, it may be wise to leave the vehicle(s) where they are so that a police officer can properly assess the situation.

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## Client of the Month

This agency is nothing without the loyalty of you, our valued clients. It is in recognition of that loyalty and gratitude for your business and faith in us that we honour;

*Ron Geisberger*

as our "Client of the Month."

Ron will receive a gift certificate from us in recognition of this honour.

Thank you, Ron for your continued business.

Here's a hint of who the next Client of the Month will be: It could be you. Watch this space for the announcement.

### What's Inside

- ◆ Increasing Insurance rates & Premiums!
- ◆ You can win some prizes! Take a look inside ...



**Working in partnership with:**

- Pilot Insurance Company
- Farmers' Mutual Ins. (Lindsay)
- Dominion of Canada
- Aviva (formerly CGU)
- Royal & Sun Alliance
- ING Insurance Company
- Optimum Frontier
- Kingsway General Insurance
- Western Assurance Co.
- York Fire & Casualty Insurance

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- ✓ For safety reasons it may be necessary to move the vehicle(s) to a safer place. Be careful! Passing vehicles still present a serious danger. Personal safety to avoid further injuries is a priority.
- ✓ **Ask your broker or insurance company how to proceed and what forms or documents are need to support your claim. This could include “proof of loss” forms, as well as medical and auto repair bills.**
- ✓ Keep records of any expenses you incur, including

medical and hospital costs, lost wages and even the costs resulting if you have to hire a temporary housekeeper. Some of these expenses may be covered under your policy.

- ✓ **Keep copies of any paperwork that results from the accident.**
- ✓ As the claim develops, keep in touch with either your broker or, more likely, the claims adjuster assigned by the insurance company to your case. If you have any problems with the handling of your claim, let your broker know.

## Feeling the Effects of Increasing Insurance Rates & Premiums

We at W.B. White Insurance Ltd. appreciate your business and believe it is our responsibility to keep you informed with regard to the insurance marketplace. With average rate increases of 15-25%, the insurance marketplace in Ontario is uncertain at best and we have been inundated with requests for information on the future of insurance premiums.



Dwayne F. Day, CLU,  
CH.F.C.  
Managing Partner

While September 11th may have been the catalyst for the beginning of rate increases, a combination of several economic occurrences have contributed to create the current situation we now face:

### Claims Costs Have Risen Dramatically ...

Many people are surprised to know that insurance companies have not earned an underwriting profit for years. Every year since 1978, the Canadian insurance industry has paid out more in claims and expenses than it has collected in premiums, therefore operating at a loss, before investment income returns. To make matters worse, claims costs after a period of relative stability, have risen dramatically. In 2001, the Canadian Property and Casualty Insurance Industry paid out \$5.2 billion more in claims and associated expenses, than it collected in premiums.

#### Why are claims costs increasing?

- The main principle of insurance is that the premiums of the many pay for the losses of the few. This allows the typical consumer to protect their assets as a safeguard against potential liabilities for relatively low cost. When the industry loses money, all consumers contribute to the cost through increased insurance premiums.
- Frequency of injury claims per 1000 automobile accidents has doubled in the last 10 years.
- Costs of injury claims have increased 300% during the same period in proportion to the increasing cost of medical care in general.
- Legal and court fees have increased dramatically since 1995.

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#### Free Report

*“Liability Coverage.....what you should know about what’s not covered with Umbrella Insurance!”*  
Call 905-576-6400 or e-mail us at [wwhite@wwhite.com](mailto:wwhite@wwhite.com) now to receive your free copy!

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## **The Economic Boom of The 1990's is Over ... and So Are Investment Profits**

During the 1990's, insurance companies did however, make investment profits; they made it by investing their cash flow in the booming economy and stock market using investment returns to subsidize premium levels.

The recent stock market collapse has affected millions of investors including insurance companies. As the economic boom started to downturn in 2000 and continued on into 2001, insurance companies could no longer make enough investment profit to make up for their operating losses and as a result they started raising prices.

## **The Tragedy of September 11th Occurs**

Most likely rates would have crept up steadily over several years until the companies' loss ratios were once again profitable. However the unthinkable occurred. On September 11th, 2001 terrorists destroyed the World Trade Center. While the act was both horrifying and devastating in personal loss, the economic fallout was to be measured in billions of dollars. Actual physical damage and insurance claims estimates run a staggering 40 billion to 70 billion in losses making this tragedy the largest loss resulting from one series of incidents in history.

All insurance companies, pay premiums to "Re-Insurance Companies" so that in the event of major losses, they do not have to absorb the entire loss. Re-Insurance Companies are large, global companies that have to pay out huge amounts to cover the insurable costs of a large disaster such as the one that occurred September 11th, 2001. Unfortunately increased premiums from Re-Insurance Companies means increased premiums for us as customers.

The increase in Re-Insurance costs for Canadian insurers in 2003 will be roughly 20%. These costs have applied upward pressure on prices. Although the insurance industry has reserves to cover these losses, the magnitude of the WTC losses has brought the future financial stability of the insurance industry into question. And the financial stability of the insurance industry is critical to the world economy.

## **What Should You Do?**

This information is not intended to alarm you or cause you concern, rather it is intended to show you that we are committed to you as our client. We will ensure that you are covered properly, at competitive rates, with a financially strong insurance company.

All insurance companies are feeling the effects of the changes and market conditions described above. While no one company can always have the best rates, the goal is to be competitive as rates with all companies are in a state of change at any given time. Over the long term, rates average out very competitively among the major companies. In fact, developing a long term relationship with your company probably has a far greater impact on the value you receive as a client. Your best protection in a volatile insurance marketplace is to stay with your current carrier.

Rest assured that where we have seen above average policy(s) rate increases, we have reviewed the situation with other insurance companies. Again, we thank you for your business and for your confidence. Should you have any questions, or if we can be of additional assistance, please call.

### **Free Report**

*"The different kinds of life insurance policies... what they're good for, when to use which one".  
Call 905-576-6400 or e-mail us at [wwhite@wwhite.com](mailto:wwhite@wwhite.com) now to receive your free copy!*

## Pearl of Wisdom

*"Finance is the art of passing currency from hand to hand until it disappears"*

**Robert W. Sarnoff**, American communications industry executive



## A Not-So-Trivial Pursuit

Every quarter, W.B.White sponsors a Trivia Contest and offers you a chance to win valuable prizes, one of which is NOT a million dollars. Test your knowledge! Just two correct (or nearly correct) answers and you could be this quarter's winner. The entry that comes closest to the correct answers to the following question will be the winner. If more than one person has the exact answer to the first part, the one who comes closest to the correct answer of the second question wins. If more than one person answers both questions correctly, the winner will be the person whose entry reached our office first. Write down your name and answers, and then fax — (905) 576-1367 — or send — 110 King Street East, Oshawa, ON. L1H 1B6 — or e-mail — [wbwhite@wbwhite.com](mailto:wbwhite@wbwhite.com) this page. Good luck!

QUESTION: **Who is credited with being the second man on the moon?**

Your Name: \_\_\_\_\_ Your Answer: \_\_\_\_\_

P.S. The answer to the previous question: What country has the most islands? How many islands are part of this nation?

Answer: *Finland, 179,584 islands.*

## Tell Others About Us And Win a Prize

Referrals are the lifeblood of any business, and there's no better source than you, our clients. This month, we honour:

*Darryl Terbenche*

who spread the word of our brokerage and brought us new clients. For this referral, we present Darryl with a "dinner for two" gift certificate. Thank you, Darryl.

Next month's referral business prizewinner could be you. Just mention W.B.White to a friend, relative, colleague, whomever. Thank you in advance.

**Remember:** Proper insurance protection requires constant vigilance. Did you know that 37% of unpaid claims result from perilous **GAPS** in insurance coverage? Be sure to let us know whenever changes arise in your life (new car, adding on to your house, etc.).

*Note: Providing your e-mail address will help us deliver important information to you about your protection.*

### Our clients say it best...

*"My relationship with W.B. Insurance has spanned over fifty years and is a sure and certain testimonial to the executive and administrative competency of your officers and staff. Best wishes to all of you!"*

**Harold S. Sliter**, Burlington, ON

*"I believe that I have been a customer of W.B. Insurance for close to thirty years ... they always take that extra step to ensure customer satisfaction. This, along with quality products at competitive prices, makes W.B. White Insurance hard to beat."*

**Eric Laverick**, Whitby, ON

Chartered Member  
**NSBCE**  
National Society of Brokers for  
Consumer Education