



Consumers Slow to Add New Optional SABS Coverages

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FSCO's August 30, 2011 Auto e-Newsletter contained the results of a survey the Commission conducted to find out whether consumers were buying the optional benefits available under the new SABS (policies issued/renewed on or after September 1, 2010). The results are somewhat surprising, especially with respect to the optional benefits that would restore the basic SABS coverages to the pre-Sept 1, 2010 levels (marked in red below). Below is an excerpt from the newsletter:

In January 2011, FSCO asked the largest private passenger auto insurance insurers in Ontario to complete a survey in order to understand consumers' purchasing habits regarding optional coverages. The survey covered policies written between September 1, 2010 and December 31, 2010.

The 24 insurance companies surveyed represented 78 per cent of the Ontario market, based on written premium.

Following is a summary of the percentages of policyholders that have purchased optional coverages:

- Increased death and funeral – 4.76 per cent
- Increased income replacement (\$600) – 0.26 per cent
- Increased income replacement (\$800) – 0.13 per cent
- Increased income replacement (\$1,000) – 0.17 per cent
- **Increased medical and rehabilitation to \$100,000 – 1.31 per cent**
- **Increased attendant care to \$72,000 – 1.22 per cent**
- **Increased medical and rehabilitation to \$1.1 million and increased attendant care to \$1.07 million – 1.04 per cent**
- **Caregiver, housekeeping and home maintenance – 0.64 per cent**
- Dependant care benefit – 0.25 per cent
- Indexation – 0.29 per cent
- **Ontario Policy Change Form (OPCF) 48 - Added Coverage to Offset Tort Deductibles – 0.19 per cent**
[emphasis in red added]

The survey results indicate that either the bulk of consumers were not interested in maintaining their prior coverages, or they did not know (or fully appreciate) the effect the new changes had to their accident benefit policies.

