

Ontarians most likely to sacrifice insurance to cut household costs

-- TD's 2nd Annual State of Insurance Report reveals the impact the economy is having on the insurance coverage of Ontario residents --

TORONTO (June 27, 2012) — While Ontarians understand the important role insurance plays as part of their overall financial plan, the uncertain economy is leading many to put their coverage on the chopping block. According to the TD Insurance State of Insurance Report – an annual report commissioned by TD Insurance to understand Canadians' habits, attitudes and knowledge about insurance – Ontarians are most likely to have cancelled or forgone insurance in an effort to save money (24% versus 21% nationally).

The second annual report found Ontarians are also most likely to have decided not to make a claim in order to avoid a high deductible (34% versus 29% nationally), and 32% decided against filing a claim to keep their premiums low. What's more, 44% of Ontarians are less likely to purchase a new policy or buy enough insurance due to the economic environment. As a result, nearly one-quarter of Ontarians now admit they don't think they have enough insurance (22% versus 10% in 2011).

"If you want to save money and preserve your personal finances, the last thing you should be doing is curbing your insurance coverage," says Dave Minor, Vice President, TD Insurance. "Especially in an uncertain economy, insurance is an important part of financial planning. For working families, it's one of the best ways to ensure your assets and income remain intact in the event that something unexpected happens. Speaking with your insurance provider is the first step to cutting costs. They can help you look for additional savings and tailor your coverage to ensure you're getting the best value."

According to the report, the majority of Ontarians (77%) say they consider insurance an integral part of their financial planning. Yet, nearly 44% of Ontarians don't have any life insurance, a product Minor says should be an important component of everyone's retirement planning solutions.

"Our report unveiled a serious disconnect between what Ontarians *think* and what they *do* when it comes to insurance," Minor says. "Ontarians say they understand the importance of insurance, yet many admit they don't have enough insurance to protect their assets and loved ones, now and into the future."

Ontarians are not as honest when filing insurance claims compared to last year

17% of Ontarians admit they have not been completely truthful or that they've omitted information when filling out an insurance application

"Telling a little white lie or failing to disclose important information to your insurance provider can put your insurance coverage at risk, and may even be considered fraud. It's very important to be open and honest with your insurer, so you have the peace of mind knowing you are covered if something unexpected happens," says Minor.

According to the Insurance Bureau of Canada, organized insurance crime – which includes insurance fraud, auto theft and filing fraudulent claims – costs insurers and policyholders about \$542 million annually.

Ontarians are concerned about how extreme weather may affect their coverage, but many are taking precautions to protect themselves

With household expenses under the microscope, many Ontarians admit they're concerned about external factors that may affect their coverage, including extreme weather. Water damage is now the leading cause of property damage in Canada, amounting to approximately \$1.7 billion in claims annually.

According to the report, 71% of Ontarians are concerned that a natural disaster won't be covered by their insurance policy. As a result, many are taking precautions to help protect their homes and valuables from severe weather and natural disasters:

- 62% ensure they have an adequate number of working smoke detectors and fire extinguishers
- 47% check their properties for blockages that prevent water draining away from their home
- 37% remove weak branches and trees on their properties that could fall on their homes or on power lines
- 21% keep a detailed inventory of their valuables in a safe place
- 22% choose landscaping that helps resist soil erosion

"Some extreme weather-related damage may not be covered by a basic home insurance, like water damage caused by flooding, damage to antennas and satellite dishes as a result of strong wind, and damage caused by earthquakes," says Minor. "Speak to your insurance provider if you're unsure about your coverage."

Ontarians are more confused than last year about their coverage

"Understanding exactly what you are covered for is the key to protecting yourself and your loved ones," says Minor. Yet, the State of Insurance Report found 31% of Ontarians are not sure what they are covered for (versus 25% in 2011) and 62% of Ontarians don't bother to read the fine print of their policies thoroughly (compared with 83% in 2011).

"It's unrealistic to know your policy line by line," says Minor. "But just like you wouldn't buy a car without knowing what features you're paying for, it's important to understand what protection your insurance can offer. At the end of the day, insurance should give you peace of mind."

About the TD Insurance 2nd Annual State of Insurance Report

TD Insurance commissioned Environics Research Group (www.environics.ca) to conduct an online omnibus survey of 1,012 Canadians 18 years of age or older, including 252 respondents in Ontario. Responses were collected between February 15-21, 2012.

About TD Insurance

TD Bank Group's insurance companies and operations carry on business under the TD Insurance brand. TD Insurance offers a wide range of products to help protect clients from the 'accidents of life' including credit protection, life, health, travel, home and auto insurance. With more than 3 million clients, TD Insurance authorized products and services are available through a network of more than 1,150 TD Canada Trust branches, the Internet and telephone. For more information, visit www.tdinsurance.com.

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