

## From coverage to claims, Quebecers are making insurance cutbacks in bumpy economic times

-- TD's 2nd State of Insurance Report reveals Quebecers are most likely to say they decided not to make an insurance claim to keep their premiums low --

**MONTREAL, QC (June 27, 2012)** — The majority of Quebec residents say they consider insurance an essential part of their financial health, but with an uncertain economic forecast on their minds, many cost-conscious consumers are putting 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 – 46% of Quebecers are less likely to purchase a new policy or buy enough insurance due to the economic environment.

The second annual report revealed Quebecers are the most likely in the country to say they decided not to make an insurance claim in order to keep their premiums low (42% versus 33% nationally) and an additional 24% have decided against making a claim to avoid a high deductible. Even more alarming, 19% of Quebec residents have cancelled or forgone insurance altogether in an effort to save money.

"If you want to save money and preserve your personal finances, the last thing you should be doing is curbing your insurance coverage," says Sylvie Demers, Chairman, Affinity Market Group, 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 Quebecers (81%) say they consider insurance an integral part of their financial planning. Yet, 32% of Quebecers don't have any life insurance, a product Demers says should be an important component of Quebecers' retirement planning solutions.

"Our report unveiled a serious disconnect between what Quebecers *think* and what they *do* when it comes to insurance," Demers says. "Quebecers 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."

### ***Not all Quebec residents think honesty is the best policy***

Quebecers are the most likely in the country to admit they have not been completely truthful or omitted information when filling out an insurance application form (23% versus 20% nationally).

"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 Demers.

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.

### ***Quebec consumers are concerned about how extreme weather may affect their coverage***

With household expenses under the microscope, many Quebecers 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, 70% of Quebec residents 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, but on average, Quebecers are doing less than most Canadians:

- 58% ensure they have an adequate number of working smoke detectors and fire extinguishers (versus 62% nationally)
- 36% check their properties for blockages that prevent water draining away from their home (versus 46% nationally)
- 29% remove weak branches and trees on their properties that could fall on their homes or on power lines (versus 36% nationally)
- 16% choose landscaping that helps resist soil erosion (versus 20% nationally)

"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 Demers. "Speak to your insurance provider if you're unsure about your coverage."

### ***Quebecers 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 Demers. Yet, the State of Insurance Report found 26% of Quebecers are not sure what they are covered for (versus 18% in 2011), and 66% of Quebecers don't bother to read the fine print of their policies thoroughly (compared with 86% last year).

"It's unrealistic to know your policy line by line," says Demers. "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](http://www.environics.ca)) to conduct an online omnibus survey of 1,012 Canadians 18 years of age or older, including 256 respondents from Quebec. 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 three million clients, TD

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**For further information:**

Liz Christiansen / Caitie Croza  
Paradigm Public Relations  
416-203-2223  
[lchristiansen@paradigmpr.ca](mailto:lchristiansen@paradigmpr.ca) / [ccroza@paradigmpr.ca](mailto:ccroza@paradigmpr.ca)

Fiona Hurst  
TD Bank Group  
514-289-1670  
[fiona.hirst@td.com](mailto:fiona.hirst@td.com)