



**June 3, 2011**

## **Government of Newfoundland and Labrador Ban the Use of Credit Scoring in Personal Property Insurance**

*Ontario Brokers association asking Ontario Government to do the same*

**(Toronto, Ontario)** Today, the Insurance Brokers Association of Ontario (IBAO) is applauding the Government of Newfoundland and Labrador for banning the use of credit scoring in personal property and private passenger auto insurance. The prohibition for personal property insurance came into effect on May 13, 2011. The prohibition on private passenger automobile insurance comes into effect on June 1, 2011.

"Clearly the Newfoundland government moved quickly to address a practice that was not transparent and unfair to consumers," said IBAO CEO Randy Carroll. "We are asking the Ontario government to respond to the concerns of Ontarians and ban this unfair and deceptive practice in our province."

In May, 2011 IBAO launched a consumer educational website, [www.SoaringInsuranceRates.ca](http://www.SoaringInsuranceRates.ca) as part of the association's public consumer protection campaign to ban the use of credit scoring in home and other personal property insurance. Currently, many insurance companies use a person's credit score to measure their insured risk. This has led to an increase in insurance premiums or an outright denial of insurance to many Ontario citizens. Since the launch, close to 3,000 concerned Ontarians have logged on to educate themselves with many signing the on-line petition and sending letters to their Members of Provincial Parliament.

The current use of credit scoring to measure a person's insured risk is affecting those who can least afford it. This includes retired seniors, newcomers to Canada, the unemployed, single income families and small business owners utilizing lines of credit.

"We have long argued for the need of a consistent approach to the application of sound public policy," continued Carroll. "We believe that the changes made in Newfoundland and Labrador present a timely opportunity for the Ontario government to follow their lead and protect consumers."

A survey commissioned by IBAO in 2010 showed that 3 out of 4 Ontario consumers are not aware that their credit scores were being used to determine how much they pay for their home insurance. Further findings revealed that 76% of those polled support extending the credit score ban to home insurance.

-30-

*The Insurance Brokers Association of Ontario (IBAO) is a 'not for profit' association that represents and serves the interests of over 11,500 independent Property & Casualty Insurance Brokers in the Province of Ontario. For information about IBAO, visit [www.ibao.org](http://www.ibao.org) or [www.ibao.org/blog](http://www.ibao.org/blog) to receive timely news and information updates. You can also follow IBAO on Twitter or join the IBAO Facebook Fan Page.*

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