


# Insuring your World



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"Insuring Your World" is a Lackner McLennan Insurance Ltd. publication providing information you need to make informed insurance choices.

## MY Premium is HOW Much?

Insurance rates are currently on the rise across Canada and in many industrialized countries. That may leave you wondering why, especially if you've never made claims on the insurance policies that you carry.

Unfortunately, claims going up are part of current reality, and as insurance brokers we understand just how difficult this is for our clients to deal with. It may help you to have a better understanding of why this is happening so that you can take the opportunity to review your current insurance program and, if appropriate, have us help you refine it to ensure that it continues to deliver maximum value.

So why the increase? Because of a combination of factors, including higher costs, lower investment income, and higher reinsurance premiums following September 11, 2001.

### Higher Costs

Insurance companies face rising costs in many areas. In the case of car insurance, for example, collision repair costs have risen by more than 30% in the past 10 years. The cost of medical and rehabilitation claims have also risen significantly, particularly due to the increasing cost of settling soft-tissue awards (meaning that injured people are being awarded more money). In addition, The Canadian Coalition Against Insurance Fraud has found that over 25% of all personal injury claims contain elements of fraud—at a cost to the insurance industry of \$500 million per year.

### Lower Investment Income

Lower investment income affects insurance companies just as it affects you when your own financial portfolio fails to generate a strong return. Investing premiums helps insurance companies remain profitable in times when they pay out more in claims than they collect in premiums. The returns have been very low in recent years and this has left insurers with reduced operating capital.

### Higher Reinsurance Premiums

In recent years, reinsurers have helped insurance companies pay claims that resulted from several major natural disasters, including the 1998 ice storm. Reinsurers are generally international organizations that spread their risk by insuring "primary" insurers in several countries and in many regions around the world. Insurance companies pay premiums to reinsurers to have a proportion of their claims paid for them, particularly in the event of a major loss or catastrophe. As a result of the September 11th tragedy, reinsurance premiums are now significantly higher.

### The Bottom Line

Insurance companies must raise rates in order to stay profitable, and their financial health ensures that the market remains competitive. That means that we have a number of insurance carriers to choose from when developing the right insurance program for you. Less competition would mean that the insurance companies would have less incentive to provide competitively priced insurance products, and that would result in higher prices industry-wide.

### How Can I Be Sure I Am paying the Lowest Possible Premium?

By talking to your Lackner McLennan Insurance Professional. We work for you, not the insurance companies, so we obtain the best insurance product for you at the best price. But the best price may or may not be the lowest. You may have special circumstances that require more or less coverage, which is why it's so important that you let us know whenever your circumstances change. That way, we can be sure you save money whenever possible, and be sure you maintain the best coverage relative to your needs.

**For further information on insurance rates and how to obtain a no-obligation coverage review, please call us at (519) 579-3330.**

## You Have Our Commitment

Introducing Lackner McLennan's unique **Commitment Program**. You can be sure you'll receive the responsive service you need, every time you contact us. And we'll ask you to rate our service to ensure we continue to improve.

**Our Commitment** is built on our fundamental business philosophies; to

- Deliver professional, personal service
- Offer the information and education you need to make wise insurance choices
- Communicate with you regularly to address changing needs
- Advocate on your behalf to ensure you receive the best value in insurance coverage, and
- Provide knowledgeable staff with the expertise to effectively manage all of your insurance needs.

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*You Have Our Commitment (Continued)*

The Lackner McLennan Commitment is backed with service standards designed to ensure we meet or exceed your expectations—every time. You can rely on us to:

- Return your telephone calls and emails within 2 hours of receipt
- Process your claims within 1 hour; provide client follow up within 72 hours
- Process your endorsements within 48 hours; provide documentation within 7 days, and
- Ensure our internal Client Care Team is trained to provide fast, efficient service.

After every insurance purchase, annual renewal or claim, you'll receive our Thank You Card, asking you to rate our service against our Commitment. We measure our results quarterly and review them with our staff to ensure we're delivering consistently on our Commitment to you.

You can submit your ratings by prepaid return mail, or through our website at [www.lacknermclennan.com/feedback.htm](http://www.lacknermclennan.com/feedback.htm). If at any time you have concerns about our service, please be sure to call us directly so we can address the situation promptly and ensure your satisfaction.

At Lackner McLennan, we "walk the talk". Protecting your commercial and personal assets and responding quickly to your needs and requests are our top priorities—you have our Commitment.

## What YOU Told Us

Lackner McLennan is committed to providing the best in personal service to each and every client. Recently, we surveyed some of our commercial and personal insurance clients to learn how we could improve our service. Their input became the foundation of our new **Lackner McLennan Commitment** program.

The survey told us—overwhelmingly, in fact!—that you want to receive the latest insurance industry information on a regular basis. The *Insuring Your World* newsletter is a key response to that request. In this and future issues, you'll read about current industry trends, new legislation and how they are likely to affect you and your insurance choices. And for more information on a specific topic, you can email your questions to [info@lacknermclennan.com](mailto:info@lacknermclennan.com).

At Lackner McLennan, your satisfaction is our highest priority—please, be sure to let us know how we are doing. You can email your comments to [feedback@lacknermclennan.com](mailto:feedback@lacknermclennan.com).

## Lackner McLennan Online

We're excited to announce the introduction of our new website, at [www.lacknermclennan.com](http://www.lacknermclennan.com).

The new site was designed with your needs in mind. Whether commercial insurance or personal insurance, you'll find the information you need—and more.

For example, to complete an information form, now you can simply download and print it, returning it by fax when complete. Or, you may have a question, and while we are always pleased to hear from you, now you can look to our FAQ's (Frequently Asked Questions) section to save time.

You may need a map to our office, or you may be looking for our mailing address. Simply click on the "Contact Us" page. Or check out "Special Programs" to learn about the unique services offered to **Registered Massage Therapists, Well Drillers and Funeral Services Providers**.

We also hope you'll let us know how we are doing by going to [www.lacknermclennan.com/feedback.htm](http://www.lacknermclennan.com/feedback.htm). Here you can rate our service the last time you contacted us, and let us know what we can do to serve you better.

Welcome to Lackner McLennan online. It's part of the **Lackner McLennan Commitment**—to you.

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"The quality of a person's life is in direct proportion to their commitment to excellence, regardless of their chosen field of endeavor."

- Vince Lombardi

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