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Insurance Brokers Urge Ontario Government to Ban Credit Scoring to Protect Consumers

Brokers visit Queen's Park for annual Awareness Day

(Toronto, Ontario), The Insurance Brokers Association of Ontario (IBAO) is urging Ontario MPPs to ban the use of credit scoring on personal property insurance. A growing number of insurers are using a person's credit score to measure their insured risk. This has led to an increase in insurance premiums or a denial of insurance outright to many Ontario citizens.

"It is the priority of Ontario's insurance brokers to protect the interests of consumers from the time they purchase a policy right through to the time that they might need an independent advocate at the time of claim," stated IBAO President, Bryan Yetman. "The practice of using credit information to price home and other personal property insurance is unfair and not in the best interest of consumers."

The use of credit scoring is impacting consumers who can least afford it. Most affected are newcomers to Canada, the unemployed, single income families and small business owners utilizing lines of credit. In 2005, the Ontario government banned the practice of using credit scoring in auto insurance policies, and further enforced the ban this year as part of the new auto regulations that came into effect on September 1, 2010. Earlier this year the New Brunswick and Newfoundland governments announced they are banning the practice entirely.

Ontario insurance brokers are at Queen's Park today urging the Ontario government to do the same. Brokers will meet with a number of Members of Provincial Parliament today to discuss this issue in detail.

"This is a pocketbook issue that is not the fault of the government, but in fact a problem in which the government can fix," continued Yetman, "Ontario needs to follow the lead of New Brunswick and Newfoundland, stand behind its own precedent set in auto insurance and ban the use of credit scoring entirely from home and other personal property insurance."

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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 or 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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