

While changes to the Accident Benefits coverage is the centrepiece, the majority of the reforms address consumer protection and more efficient care for accident victims. Drivers and accident victims should also get faster, more efficient care under these proposed reforms. The proposals also address the definition of what would constitute “serious injuries” as well as “minor injuries”.

Several of these measures address the overall rising costs to the consumers. These would include a basic benefits package with “top-ups” based on any added coverage you feel necessary.

Overall, the government of Ontario's reform package includes forty-one (41) proposals that highlight cost

containment, consumer protection and stress the need for better integration of insurance and healthcare processes. The purpose of all these changes and recommendations is to insure that automobile insurance is affordable and available to all Ontario consumers. These changes will take effect in the summer of 2010.

Some references from Canadian Insurance Magazine

For more detailed information and how it might affect you please feel free to call your McFarlan Rowlands auto insurance specialist.

“Solve large problems while they are still small...!”

- Unknown



Here's wishing you and your family had a safe and happy holiday season.

I hope you find this newsletter useful and informative.

Please feel free to contact me whenever I can be of service.

Kindest Regards,

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“Deal with the difficult while it is easy...” - unknown



are signs that the economy has stabilized, the pace of growth is expected to be cautious and gradual.

The Gross Domestic Product (GDP) has begun the expansion of our economy, but is not expected to return to its pre-recession level until the second quarter of 2011, as is generally agreed by leading economic experts.

In our ongoing efforts to keep our valued clients informed and educated on activity on the economy and how it affects all of us through financial products and services, we will continue to advise you in our publication of McFarlan Rowlands Investor Insight. Any feedback is always welcome.

Economic Outlook

News headline; heading into 2010, there are clear signs that the Ontario economy specifically, and Canada overall, has turned the corner of this past, historically significant, recession and is starting to show signs of growth. Although there

The challenge for Ontario is that having been a manufacturing based economy we have been particularly hit hard by the auto sector. Because of its size and with its severe restructuring, Ontario auto employment has fallen by 25% over the first nine months in 2009, compared to the same period in 2008. This will be a very challenging time in an industry that has been a key driver to the Ontario economy. On a positive note, retail sales are showing signs of some recovery as the economy and confidence starts to move forward.

The US economy, which is critically important for Ontario's export oriented

business, is beginning to emerge from one of its deepest recessions on record. The US is one of the last countries to show any significant recovery, indicating how much difficulty the largest world economy is dealing with.

The projected increases in oil prices and a strengthening Canadian dollar against the US dollar will also pose a challenge to the overall recovery and time lines for the Ontario economy.

The improvement to the US and global demand for our resources and products will contribute to the turn around of Ontario's most important export market. Our domestic economy is expected to be a source of strength, supported by a healthy housing market, gains in consumer spending and increase in business investment in Ontario.

As a summary, Canada as a whole has weathered this recent global recession in much better shape than most other leading world economies. Our more conservative banking structure with solid regulation has helped stabilize our country better than most. With provincial and federal government intervention to stimulate our economy and barring any other unforeseen international challenges, we will emerge from the recession and the lessons learned, a stronger and more thoughtful country.

Sources: Ontario Ministry of Finance survey of Forecasts

Universal Life

Universal Life was created as a modern and advanced type of permanent insurance, with many features that allow purchaser the type of flexibility as they go through the different cycles during their life.

Simply, Universal Life is a type of permanent life insurance based on 1) Face value or total coverage and 2) Cash accumulation value over the course of its coverage.

That is, the insurance policy is established where the premium payments are based on the minimum payment, based on the cost of the insurance coverage, with a portion going to a selected investment. This excess amount would go into a separate investment account considered the "Cash Value" of the policy. This investment account is separate from the insurance program.

A secondary consideration would be to use this investment account by adding at any given time any excess portion to be placed directly in this account. The maximum amount over and above is based on Revenue Canada's formula using the face value of the insurance.

The advantage of the "overpayment" is that the investment portion grows within

your insurance policy to be disbursed to the beneficiary tax free upon the death of the owner.

The investment portion, whether the minimum required or the voluntary excessive contribution, may be directed to a number of accounts, depending on factors such as risk tolerance and overall knowledge of investments. This may vary from conservative guaranteed products to more aggressive investments such as segregated funds (similar to mutual funds), which would include items such as bonds and stock investments, which would imply greater risk with the potential benefit for greater reward.

Universal Life is similar in some ways to whole life policies. The potential advantage of Universal Life policy is mentioned earlier as in its flexibility, tax-free accumulation and payment to your beneficiary and the potential for greater cash value from growth.

Auto Insurance Reform: Ontario Proposal Forms on Cost & Choice

You may have heard a lot of talk recently about the raising of costs to your auto insurance.

The proposed changes to the Ontario auto insurance system would manage raising auto premiums by allowing drivers the choice to select the limits and coverages under the Accident Benefits portion of the policy. In other words, in the "No-Fault" section of the policy consumers may pick and choose the kind of auto benefits they want.

The basics behind the reforms are that auto insurance claims, especially claims under the Accident Benefits, have risen dramatically over the last few years.

This year's RRSP Contribution

The annual RRSP contribution limit is 18% of total earned income for the current year (2009) to a maximum of \$21,000.00 and \$22,000.00 in 2010. After that increases will be indexed to the growth of the average industrial wage.