

# MEDIA RELEASE

## FOR IMMEDIATE RELEASE

### Auto insurance tax to increase on January 1, 2015

*IBC explains the impact on consumers*

Montreal, December 18, 2014 — As announced by the Minister of Finance in his update of Quebec's economic and financial situation on December 2, 2014, the 5% tax on auto insurance premiums will go up to 9% on January 1, 2015.

The measure impacts all auto insurance premiums payable as of January 1, 2015, even for insurance policies that took effect prior to that date. For example, for policies purchased or renewed in 2014, with part of the premium payable in 2015, the 9% tax will be applied to the portion paid in 2015.

The announcement came at a time when most insurers had already sent their clients renewal notices or invoices for auto insurance policies payable, in whole or in part, in 2015. The tax rate on these notices is 5% and will therefore have to be adjusted.

Insurance Bureau of Canada (IBC) had asked the Quebec government to delay application of the increase to allow insurers to adjust their invoices and to notify clients of the tax change. Despite IBC's efforts, the government, as part of its deficit reduction efforts, decided to maintain the date of the increase at January 1, 2015.

Insurers and insurance brokers will do everything they can to inform their clients as quickly as possible of the new tax amounts they will be billed, according to the payment method they have chosen.

IBC wishes to remind Quebec policyholders that the tax increase is not an increase in their auto insurance premium. Note that premiums have declined in Quebec for the past eight years and that Quebecers pay among the lowest insurance premiums in the country.

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**About Insurance Bureau of Canada**

[Insurance Bureau of Canada](#), which groups the majority Canada's P&C insurers, offers various services to consumers in order to inform and assist them when purchasing car or home insurance, or making a claim.

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