



Personal Insurance



Commercial Insurance



Personal Asset Management

FALL ISSUE 2010

Celebrating **80** years

**Scrivens**  
Family of Companies  
SINCE 1930

Your Insurance and Financial Specialists

# FAMILY MATTERS

NEWSLETTER

## THE SCRIVENS PERSPECTIVE

BY PETER SCRIVENS, PRESIDENT



Uncertainty seems to be a recurring theme in our business these days. For example, in the summer newsletter we discussed upcoming changes

to Ontario's auto insurance regulations. At the time, we were uncertain about what those changes would be. Now that the new regulations are in effect, we can tell you a bit more about what they will mean to you.

The same is true of the province's new Harmonized Sales Tax (HST). Not surprisingly, a number of clients have asked how it will impact their dealings with us. The short answer is that fees, at least on mutual and segregated funds, will rise. However—and there's that uncertainty again—we're not yet sure by how much.

Finally, there's uncertainty surrounding today's equity markets. In our asset management column, we describe one strategy that can take the guesswork, and perhaps more importantly, the anxiety out of investing in an uncertain market.

At least there's one thing we are certain about: our 80th anniversary year was a great success. Thanks for being part of it. **S**

## The HST and how it affects you

The fact that not all of the provinces have yet adopted the HST has left Canada's fund industry with a couple of options. One, separate classes of funds could be created for provinces that have the HST and for provinces that don't. Two, a single class of funds with blended rates could be applied for all provinces.

Unfortunately, there are problems with both options. Option one is likely to mean higher administration costs for

the industry, while option two probably means that people who live in non-HST provinces would pay more, effectively subsidizing those who do not.

Meanwhile, personal and commercial insurance premiums—which were exempt from the old GST—will also be exempt from the HST.

For a complete list of items affected by the HST, go to: <http://www.rev.gov.on.ca/en/taxchange/taxable.html>

### REMEMBER, WE'RE HERE WHEN YOU CALL

If you're going south for the winter, leaving on an extended business trip or simply taking a short vacation, remember that you can still reach us by phone from anywhere in Canada or the United States. Simply call **1-875SCRIVENS** (1-877-274-8367) anytime from 8 a.m. to 5 p.m. EST Monday through Friday. A receptionist will be there to direct your call.

### AN END TO SUMMER HOURS

Summer hours at the Scrivens Family of Companies came to an end after the Labour Day Weekend. We are now back to regular hours, from 8 a.m. to 5 p.m. Monday to Friday.



*What better way to say goodbye to our 80th year in business than gather our dedicated staff together for a picture—and what better place than outside Scrivenhall, our home for so many years?*



## INSIDE MATTERS

DOLLAR COST AVERAGING  
JOINT LIABILITY DANGER  
INSURANCE CHANGES



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**FundEX**  
INVESTMENTS INC.



## New auto insurance regulations put you in the driver's seat

Regarding all the recent changes to Ontario's auto insurance regulations—and there have been a lot—the key fact to note is that they give you a much greater say in selecting the insurance package that's best for you and your family. This allows you to control the size of your premium while ensuring that the coverage you purchase is adequate for your needs.

The new regulations went into effect Sept. 1 of this year. Here's a brief overview of the some of the major changes:


- A new Statutory Accident Benefits Schedule (SABS) caps expenses for medical examinations and assessments for minor injuries at \$3,500. A minor injury is defined as a sprain, strain, whiplash associated disorder, contusion, abrasion, laceration or subluxation, and any clinically associated sequelae.
- The standard medical and rehabilitation coverage for non-catastrophic claims is set at \$50,000. However, you can purchase optional coverage of \$100,000 or \$1.1 million.

- The standard attendant care coverage for non-catastrophic claims is \$36,000. Optional coverage of either \$72,000 or \$1.072 million is available. For non-catastrophic claimants, insurers will supply optional caregiver, housekeeping and home maintenance benefits.
- The payment for in-home assessments is capped at \$2,000; it is available only if you suffer more than a minor injury.

In addition to giving you more choice and controlling your costs, the government reforms are designed to control the cost of claims that result from accidents. The focus is on items like income replacement, medical rehabilitation and attendant care payments—benefits you are entitled to if you're injured in a car accident.

A number of coverage limits, such as medical and rehabilitation expenses for non-serious injuries, have been reduced. However, you can purchase additional coverage.

While it's always wise to review your insurance needs regularly, it's particularly important to go over your medical, healthcare and long-term disability coverage in light of the new reforms. For example, in some cases it might now be beneficial to carry a separate disability policy rather than simply purchasing additional coverage under your existing policy. If you own and/or drive a vehicle, and you're responsible for children or elderly relatives, you should seriously consider purchasing additional coverage—if you were to become incapacitated, substitute care would be required and basic coverage provided through the reforms might not be adequate. Other collateral benefits are the first to pay, then SABS applies.

The chart below compares the old and new coverage limits for various insurance claim scenarios. You can also learn more at our website, [www.scrivens.ca](http://www.scrivens.ca). Simply click on *Changes to Auto Insurance* and use the interactive software [www.understandingmyinsurance.ca](http://www.understandingmyinsurance.ca) 

	PREVIOUS COVERAGE	NEW BASIC COVERAGE	OPTIONAL COVERAGE
<b>Medical and rehabilitation (non-catastrophic injuries)</b>	\$100,000	\$50,000	\$100,000 or \$1,100,000 (including assessment)
<b>Attendant care (non-catastrophic injuries)</b>	\$72,000	\$36,000	\$72,000 or \$1,072,000
<b>Medical and rehabilitation (catastrophic injuries)</b>	\$1,000,000	\$50,000 (including assessment)	Additional \$1,000,000 (including assessment)
<b>Attendant care (catastrophic injuries)</b>	\$1,000,000	\$1,000,000 (including assessment)	Additional \$1,000,000 (including assessment)
<b>Caregiver benefit</b>	Up to \$250 for first dependant, \$50 for each additional dependant (for both catastrophic and non-catastrophic injuries)	Up to \$250 for first dependant, \$50 for each additional dependant (for catastrophic injuries only)	Up to \$250 for first dependant, \$50 for each additional dependant (for both catastrophic and non-catastrophic injuries)
<b>Housekeeping and home maintenance expenses</b>	Up to \$100 per week (for both catastrophic and non-catastrophic injuries)	Up to \$100 per week (for catastrophic injuries only)	Up to \$100 per week (for both catastrophic and non-catastrophic injuries)
<b>Income replacement benefit</b>	80% of net income to maximum of \$400 per week	70% of net income to maximum of \$400 per week	maximum of \$600, \$800 or \$1,000 per week
<b>Dependent care benefit</b>	Included and available	Not included	Up to \$75 per week for first dependant, \$25 per week for each additional dependant to a maximum of \$150 per week
<b>Suing for pain and suffering deductible</b>	\$30,000	\$30,000	\$20,000



## PERSONAL ASSET MANAGEMENT DOLLAR COST AVERAGING WORKS—AND IT'S NOT ROCKET SCIENCE



As I write this (in late July), a number of analysts are suggesting that further declines in equity markets are imminent. At the same time, GICs are not providing attractive long-term yields. For investors trying to balance security with higher returns, the choice is not easy.

Since we can't ever be sure what direction the market will go, a dollar cost averaging (DCA) strategy may give you the peace of mind to invest in uncertain times. As the title suggests, DCA is not rocket science. Using a DCA strategy, you simply invest a set amount on a regular basis—for example, monthly or bi-weekly. In declining markets, your fixed DCA investment buys more units of a given fund; in rising markets, it buys fewer. That strategy applies as easily to a single large investment as it does to smaller transactions, such as monthly RSP contributions.

If you have a large lump sum of money, you would use the DCA strategy to spread the investment over an agreed period of time, perhaps a year. For smaller amounts, such as RSP contributions, DCA makes your investments systematic. And that means no running around at the RSP deadline to find a contribution.

Of course, DCA does not guarantee higher returns. What it does offer is peace of mind, particularly during periods of uncertainty in the market. This non-monetary benefit is an important one. If you started investing in the last decade, you've probably already experienced your fair share of negative emotions. DCA allows you to overcome those emotions and stick to your plan.

*For more information on dollar cost averaging, contact Dave or Ken at 236-9101. *

## RISK MANAGEMENT / COMMERCIAL INSURANCE JOINT & SEVERAL LIABILITY NOT ALWAYS FAIR TO DEFENDANTS



In common law, if the joint or concurrent actions of more than one person cause damage or injury, the courts will impose the principle of *Joint & Several Liability*. The fact that one defendant may be more responsible for the damages than the other(s) doesn't matter. The principle makes clear that nothing will jeopardize the plaintiff's right to be fully compensated.

This can create some interesting but painful scenarios. For example, if a defendant is determined to be partially responsible for the loss suffered by a plaintiff, they (or their insurer) must pay an amount equal to their share of the responsibility—in other words, if they're 10 per cent at fault, they pay 10 per cent of the damages. However, trouble can arise when one of the defendants is unable to pay their share of damages. In keeping with the plaintiff's right to full compensation, the other defendant(s) must make up the difference.

In an extreme case, an individual or corporation found to be just 1 per cent responsible for damages may be forced to pay the other 99 per cent if the other defendants are unable to meet their obligations. This concept of fairness to the plaintiff, while admirable, is quite one-sided. Clearly, it is not fair to a defendant whose degree of fault is minor but whose costs are significant because others cannot pay.

In fact, the *Joint and Several Liability* principle can encourage plaintiffs to unfairly target defendants who are perceived to be of means, either in their own right or through access to their insurance coverage. Plaintiffs can decide when, where and whom to sue. They can therefore elect to sue persons or entities whom they believe afford the best opportunity for recovery, even if they played only a fringe role in the occurrence.

This is just one of numerous legal challenges facing corporations and their insurers in identifying and quantifying their exposure to legal liabilities. At Scrivens, we are available to our clients to explore how you may be able to find some relief from this exposure through contractual agreements.

*For more information, call Ole Jensen at 613-236-9101. *



The Scrivens Family of Companies was a proud sponsor of the **2010 ROTARY HOME GOLF MARATHON**.

We later received a letter from Chloe Hillier, the event manager, thanking us for our support in the amount of \$1,012, which helped the group raise more than \$63,000 to house the families of young adults with physical disabilities or complex medical needs.



## The Scrivens Kitchen

### MAPLE BUTTERNUT SQUASH

This classic fall favourite will make a spectacular side to your Thanksgiving turkey. *Serves eight.*

#### INGREDIENTS

- 2 kg butternut squash
- ¼ cup butter
- ¼ cup whipping cream
- ¼ cup maple syrup
- ½ tsp salt



#### DIRECTIONS

Preheat oven to 400°F (200°C).

Cut butternut squash in half lengthwise. Scoop seeds out with a spoon and place both halves, cut side down, in a shallow baking dish or cookie sheet with sides. Pour in enough water to cover the pan.

Place in oven and bake for 30 minutes. Turn squash halves over and bake for another 30 minutes or until very tender when poked with a fork. Remove from the oven.

Scoop out squash flesh and put into a bowl. Using a food processor or blender, puree squash with butter, whipping cream, maple syrup and salt until smooth and creamy. You may have to do this in two batches. **S**

## Staff and Stuff

To celebrate our 80th anniversary year, we're saluting our employees by noting how long they've been with the company.

**BARBARA THOMPSON WALKER**

Aug. 20, 2007

**DAVID SCRIVENS**

Aug. 22, 1990

**LENA ERYSTHEE**

Sept. 9, 2008 **S**



## CONGRATULATIONS TO OUR CONTEST WINNERS...

We didn't fool many people with last issue's quiz question about the first building ever occupied by the Scrivens Company. The answer, of course, is the Ottawa Electric Building (pictured above). Congratulations to **ARON BARRETT, DAVID AND BARBARA CAMPBELL, AMANDA GEORGE, JACK MACKINNON** and **IVAN AND LILA MCCLEAVE**, who each won a dinner for two at the Fraser Café on Springfield Road.

**OUR NEXT "LUNCH 'N' LEARN"** will be held Oct. 20 from noon until 1 p.m. Alex Goldmaker from Standard Life will speak on investment accumulation strategies. In November, Jack Eaton from TD Mutual Funds will speak on fixed income mutual fund strategies. To reserve, email David Scrivens at [dscrivens@scrivens.ca](mailto:dscrivens@scrivens.ca).

#### Generic Disclaimer (mutual funds only)

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. Mutual funds are not guaranteed and are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Fund values change frequently and past performance may not be repeated. Labour Sponsored Funds have tax credits that are subject to certain conditions and are generally subject to recapture, if shares are redeemed within eight years.

#### Personal Opinions & Recommendations Disclaimer

The foregoing is for general information purposes only and is the opinion of the writer. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please call Scrivens Family of Companies to discuss your particular circumstances.

SCRIVENS THANKS THE FOLLOWING COMPANIES FOR THEIR SERVICES AND SUPPORT.



We welcome comments and suggestions about FAMILYMATTERS.

You can reach us at [triley@scrivens.ca](mailto:triley@scrivens.ca) or at:

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