

# 'Slap in the face': Postal code change leaves couple facing insurance hike

[How postal code discrimination is making auto insurance go up in certain cities](#)



Shouldn't more emphasis be put on make and model of cars and past driving record?

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An Ontario couple saw their home and auto insurance premiums increase to the tune of hundreds of dollars per year because of a change in their address – even though they didn't move.

Christine and David Pindar live in a rural part of Oshawa, Ont., east of Toronto.

They were notified by Canada Post last summer that the last three digits of their postal code would be changing. Once the change took effect, they passed on the new information to their insurance company, the Allstate Insurance Company of Canada.

## PHOTOS



David and Christine Pindar saw their home and auto insurance premiums increase by hundreds of dollars because they were given a new postal code. (Christine Pindar)

"They said 'Oh, well that means your premiums are going to have to go up,'" Christine Pindar told CTVNews.ca.

Pindar said her house insurance premium rose by 37 per cent and the premiums for her and her husband's three cars increased by about 10 per cent each. She pegged the overall increase at approximately \$600 per year.

Taking a deeper dive into the numbers, she found that her insurance company now believed it would cost her more to replace her house in the event it was destroyed – not just because of inflation, but also because of the new postal code – while the actual assessed value of the home remained the same.

When she contacted Allstate, she said she was told that the new postal code put her into a higher-risk area.

Particularly strange, as Pindar sees it, is that the new postal code didn't exist before last summer – making her wonder how exactly it can be deemed risky.

“It's a brand-new postal code. How can that create an increase? It just blows my mind,” she said.

Pindar said she and her husband are looking into their options and if there is anything they can do to lower their premiums.

“For anybody, \$600 is a slap in the face for no reason,” she said.

A spokesperson for Allstate Canada declined to address the Pindars' situation specifically.

## **WHAT HAPPENED?**

According to Canada Post, the Pindars' home is one of approximately 500 in the Oshawa area which saw their postal codes reassigned as part of changes to postal routes. The changes “are necessary to accommodate increased growth in the area and to improve overall delivery efficiencies,” according to a spokesperson for the agency.

“Postal code changes do not happen often and we go to great lengths not to change them,” the spokesperson said.

Postal codes play a significant role in determining insurance premiums in Ontario. The Allstate spokesperson said the company includes postal code data as well as a home's age and type when calculating home insurance policies. Auto insurance policies are based on factors including the vehicle's safety rating and usage, as well as the driver's experience and previous claims.

“All insurance companies operating in Ontario are mandated by the provincial regulator to consider postal codes when calculating premiums and we must adhere to that regulatory framework,” Jordan Kerbel, the company's director of external relations, said in a statement. According to the [Financial Services Commission of Ontario](#), people living in urban areas generally face higher rates because of higher traffic levels and increased likelihood of theft.

Pindar suspects this may be at play in her case, as her previous postal code covered an area spread further out from Highway 407 than the area of the new code.

Jasmine Daya, a Toronto-based lawyer, told CTV's Your Morning Monday that Ontario's so-called postal code discrimination tends to benefit drivers in downtown Toronto and outside the

Greater Toronto Area, while drivers in suburban parts of the GTA typically have to pay higher auto insurance rates.

“People in Brampton, people in Scarborough, their rates are very high,” she said.

“People who are paying lower rates, being outside the GTA, are very happy to have postal code discrimination because they benefit.”

Two bills introduced at Queen’s Park last fall called for the Ontario government [to ban the practice](#) of letting insurance companies set rates based on addresses or postal codes.