

Providing More Choice to Consumers:

What you need to know about changes to auto insurance in Ontario

Ontario is introducing significant reforms to its auto insurance system, in order to provide you, the consumer, with choices to give you greater influence over the price you pay for insurance. These additional accident benefit choices will allow you to customize your policy to suit your needs.

Standard Auto Insurance Policy

In Ontario, the Insurance Act determines the standard coverage that consumers must purchase. However, beginning September 1, 2010, if you are either buying a new auto insurance policy or renewing an existing one, you will have options that you can purchase over and above those that are available in the standard auto insurance policy.

When the changes take place, these are the standard coverages that will be included in all auto insurance policies:

- Third-Party Liability
- Uninsured Auto coverage
- Direct Compensation-Property Damage
- Statutory Accident Benefits

In addition, if you previously purchased Collision and/or Comprehensive coverage, it is still included in your policy. Statutory Accident Benefits are benefits you receive if you are injured in an auto accident, regardless of who was at fault. Most of the new reforms affect these benefits.

Beginning September 1, 2010, if you are buying a new policy or renewing an existing one, here are your options with respect to Statutory Accident Benefits:

Coverage	Coverage under your existing auto insurance policy	Coverage under New Standard Auto Insurance Policy	Options available to increase your benefits
Medical, Rehabilitation and Attendant Care benefits (for non-catastrophic injuries)	\$100,000 for medical and rehabilitation benefits; \$72,000 for attendant care benefits.	\$50,000 for medical and rehabilitation benefits, including assessment costs; \$36,000 for attendant care benefits.	\$100,000 or \$1,100,000 for medical and rehabilitation benefits including assessment costs; \$72,000 or \$1,072,000 for attendant care benefits.
Medical, Rehabilitation and Attendant Care benefits (for catastrophic injuries)	\$1,000,000 for medical and rehabilitation benefits; \$1,000,000 for attendant care benefits.	\$1,000,000 for medical and rehabilitation benefits including assessment costs; \$1,000,000 for attendant care benefits.	An additional \$1,000,000 for medical, rehabilitation and attendant care benefits including assessment costs.
Caregiver benefit	Up to \$250 per week for the first dependant plus \$50 for each additional dependant; available for all injuries.	Up to \$250 per week for the first dependant plus \$50 for each additional dependant; available only for catastrophic injuries.	Up to \$250 per week for the first dependant plus \$50 for each additional dependant; available for all injuries.
Housekeeping and Home Maintenance expenses	Up to \$100 per week, available for all injuries.	Up to \$100 per week, available only for catastrophic injuries.	Up to \$100 per week, available for all injuries.
Income Replacement benefit	80 per cent of net income up to \$400 per week.	70 per cent of gross income up to \$400 per week.	Weekly limit can be increased to \$600, \$800 or \$1000 per week.
Dependant Care benefit	Not provided.	Not provided.	Up to \$75 per week for the first dependant and \$25 per week for each additional dependant to a maximum of \$150 per week.
Death and Funeral benefits	\$25,000 lump sum for an eligible spouse; \$10,000 lump sum for each dependant; maximum \$6,000 funeral benefits.	\$25,000 lump sum for an eligible spouse; \$10,000 lump sum for each dependant; maximum \$6,000 funeral benefits.	\$50,000 lump sum for an eligible spouse; \$20,000 lump sum for each dependant; maximum \$8,000 for funeral benefits.
Indexation benefit – applicable to income replacement benefit, non-earner benefit, attendant care benefit or medical and rehabilitation benefit	Not provided.	Not provided.	Annual adjustment according to the Consumer Price Index for Canada.

What do the coverages mean?

Third Party Liability: Claims made by a driver against another driver who cause an accident.

OPCF 44R: Covers you for the difference between the at-fault driver's Third Party Liability limit and your own Third Party Liability limit if someone with less liability coverage than you injures you in an accident.

Direct Compensation-Property Damage (DC-PD): Covers damage to your vehicle or its contents if another person was at fault for the accident. It is called direct compensation because even though someone else causes the damage, you collect directly from your own insurer. The accident must also occur in Ontario and both drivers are insured by an insurance company licensed in the province.

Collision or Upset coverage: Pays for losses caused when your vehicle is involved in a collision with another object, including another vehicle, or rolls over.

Comprehensive coverage: Pays for losses for certain perils, falling or flying objects, and vandalism.

Uninsured Auto coverage: Protects you and your family if you are injured or killed by a hit-and-run driver or by an uninsured motorist. It also covers damage to your vehicle caused by an identified uninsured driver.

Income Replacement Benefit: If you cannot work as the result of an auto accident, you may be eligible for basic weekly income replacement benefits of up to \$400.

Medical and Rehabilitation Benefit: Covers the cost of reasonable and necessary medical and rehabilitation expenses (e.g., physiotherapy, prescriptions) that are not covered by OHIP or your disability insurance plan.

Attendant Care Benefit: Pays for an aide or attendant to look after you if you have been seriously injured in an accident.

Housekeeping and Home Maintenance expenses: If you are unable to perform your usual duties due to your injuries, this benefit pays for reasonable and necessary additional expenses for someone to complete your usual duties.

Caregiver Benefit: If you are providing full-time care to dependants and can no longer provide that care as the result of an auto accident, you may be eligible for caregiver benefits to reimburse you for your expenses to hire someone to care for your dependants.

Death & Funeral Benefit: If you die as a result of an auto accident, the death benefit provides a lump sum payout to your spouse and your dependant; the funeral benefit provides a lump sum payout to cover the cost of your funeral expenses.

Tort Deductible: The amount that is deducted from a settlement or court award for non-economic loss, such as pain and suffering.

Indexation Benefit: The automatic adjustment of income replacement benefit, non-earner benefit, attendant care benefit or medical and rehabilitation benefit according to the Consumer Price Index for Canada to compensate for inflation.

Dependant Care Benefit: Pays for additional expenses incurred to care for your dependants if you are employed and are injured in an auto accident

You also have new choices to customize your deductibles – the portion of a loss that you are required to pay.

- Tort deductible – You have the option to reduce the deductible associated with court awarded compensation for pain and suffering to \$20,000 from \$30,000.
- Direct Compensation – Property Damage Coverage – You have the option of a \$500, \$300 or no deductible at all on coverage to repair the auto of the driver who is not-at-fault.

What else is new?

The government's reforms lay the foundation for an auto insurance system with greater price stability, and more protection for you, the consumer. Other key changes include:

- If you have a minor injury due to an auto accident you are able to access up to a \$3,500 limit of medical and rehabilitation accident benefits, regardless of the coverage level that you have selected.
- Accidents where you are 25 per cent or less at-fault will no longer affect your premium.
- The deductible that is applied to court awards for fatal accidents has been eliminated.
- Introducing a requirement that insurance companies must send out benefit statements to their claimants, advising how much has been paid to date, and the additional amount remaining in respect of the medical and rehabilitation benefit limit.
- If your auto has been written off after an accident and you don't agree with the value you have been offered, you can choose the appraisal process outlined in the Ontario Auto Policy to settle the dispute, and the insurer must agree to participate.
- Coverage is extended to rented autos with a Gross Vehicle Weight Rating (GVWR) of more than 4,500 kilograms, if it is for personal use and rented for up to 7 days.
- Prohibiting use of credit scores in determining quotations for your auto insurance rates.

Still have questions?

For more information on your coverage choices, contact your insurance representative as shown on the enclosed insurance renewal certificate.

For general information about changes to auto insurance in Ontario, contact:



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