

# Important Changes to your Policy!

## Your Auto Insurance Benefits are **CHANGING**

Before you renew your policy, **you need to make important coverage decisions**

Effective June 1, 2016, the Ontario government has introduced changes to the automobile insurance system to help make insurance premiums more affordable. These changes only apply to auto insurance policies issued or renewed on or after June 1, 2016.

The changes will give you **more choice** over the coverages you select and the price you pay for auto insurance. Many of the changes affect the Statutory Accident Benefits you receive if you are injured in an auto accident, regardless of who is at fault. Some of these benefits have been reduced and some options for increased coverage have been eliminated or changed.

**Your enclosed policy automatically has the new lower standard benefits that will take effect on your renewal date.** The most significant changes to your policy are:

| Benefit                                                  | Current Policy | New Policy                                                                | You can choose <sup>1</sup>                                                                                                                          |
|----------------------------------------------------------|----------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medical and Rehabilitation for non-catastrophic injuries | \$50,000       | These benefits have been combined and reduced to <b>\$65,000</b> total    | Increase the benefit to <b>\$130,000<sup>2</sup></b> total                                                                                           |
| Attendant Care for non-catastrophic injuries             | \$36,000       |                                                                           |                                                                                                                                                      |
| Medical and Rehabilitation for catastrophic injuries     | \$1,000,000    | These benefits have been combined and reduced to <b>\$1,000,000</b> total | An additional <b>\$1,000,000</b> for a total of <b>\$2,000,000<sup>2</sup></b> for catastrophic injuries                                             |
| Attendant Care for catastrophic injuries                 | \$1,000,000    |                                                                           |                                                                                                                                                      |
| Medical, Rehabilitation and Attendant Care, all injuries | Not applicable | Not applicable                                                            | Increase the combined non-catastrophic benefit to <b>\$1,000,000</b> and the combined catastrophic benefit total to <b>\$2,000,000<sup>2,3</sup></b> |

**To increase these benefits, call your insurance representative**

**Unless you act quickly and contact your insurance representative to increase your benefits or make changes, your coverage will default to the new lower standard benefits.**

The name and contact details for your insurance representative and your renewal date are on the enclosed policy documents.

<sup>1</sup> If you have previously chosen to purchase these optional benefits check your policy – they may have changed to reflect amounts available in new options.

<sup>2</sup> Medical, Rehabilitation and Attendant Care benefits for minor injuries are fixed at a maximum limit of \$3,500.

<sup>3</sup> If you purchase both the additional Medical, Rehabilitation and Attendant Care benefit for catastrophic injuries and for all injuries, the total eligible benefit amount for a catastrophic impairment would be \$3,000,000.



## Other important changes to your policy

|                                                                        |   |                                                                                                                                                                                       |
|------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minor Accident</b>                                                  | ➔ | Insurer can no longer use a minor at-fault accident meeting certain criteria <sup>4</sup> to increase your premiums. This applies to accidents occurring on or after June 1, 2016.    |
| <b>Interest Rate for Monthly Payment Plans</b>                         | ➔ | Maximum that can be charged for monthly premium payments has been lowered from 3% to 1.3% for one year policies, with corresponding reductions for shorter terms.                     |
| <b>Comprehensive Deductible</b>                                        | ➔ | The standard deductible for Comprehensive coverage has been increased from \$300 to \$500.                                                                                            |
| <b>Non-Earner benefit</b>                                              | ➔ | The six-month waiting period for people who are not working has been reduced to four weeks. Benefits can only be received for up to two years after the accident.                     |
| <b>Duration of Medical, Rehabilitation and Attendant Care benefits</b> | ➔ | For all claimants except children, duration of this standard benefit is now five years for non-catastrophic injuries, and will be paid only as long as you remain medically eligible. |

## Other Options<sup>5</sup>

The following chart lists some, but not all of the options available to purchase other additional or increased benefits and coverages. You can also choose not to increase any benefit or coverage.

| Benefit/Coverage                                  | Current Policy                                                                                                                  | New Policy   | You can choose                                                                                                              |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>Income Replacement benefit</b>                 | 70 per cent of gross income up to \$400 per week.                                                                               | No change    | To increase the weekly limit to \$600, \$800 or \$1,000 per week.                                                           |
| <b>Caregiver benefit</b>                          | Available only for catastrophic injuries: Up to \$250 per week for the first dependant plus \$50 for each additional dependant. | No change    | To make the same amounts available in current policy for catastrophic injuries available for <u>all</u> injuries.           |
| <b>Housekeeping and Home Maintenance expenses</b> | Available only for catastrophic injuries: Up to \$100 per week.                                                                 | No change    | To make the same amounts available in current policy for catastrophic injuries available for <u>all</u> injuries.           |
| <b>Death and Funeral benefits</b>                 | \$25,000 lump sum to an eligible spouse; \$10,000 lump sum to each dependant; maximum \$6,000 funeral benefits.                 | No change    | \$50,000 lump sum to an eligible spouse; \$20,000 lump sum to each dependant; maximum \$8,000 funeral benefits.             |
| <b>Dependant Care benefit</b>                     | 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. |
| <b>Indexation benefit</b>                         | Not provided                                                                                                                    | Not provided | Annual adjustment for inflation for many benefits according to the Consumer Price Index for Canada.                         |
| <b>Third Party Liability</b>                      | \$200,000 minimum for claims as a result of lawsuits against you.                                                               | No change    | Options exist to increase the minimum amount.                                                                               |
| <b>Tort Deductible</b>                            | \$36,905.40 deductible for court awarded compensation for pain and suffering (Jan 1-Dec 31, 2016).                              | No change    | Reduce deductible by \$10,000 regardless of annual indexation percentage increases.                                         |

**To change your benefits or coverages call your insurance representative**

For general information about auto insurance in Ontario, more about these changes, definitions of different types of coverages and a glossary of insurance terms, visit [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca) or [www.IBC.ca](http://www.IBC.ca).

<sup>4</sup> Criteria include no payment by any insurer, no injuries, and damages less than \$2,000 are paid by the at-fault driver, and this provision is limited to one minor accident every three years.

<sup>5</sup> If you have previously purchased any optional benefits please review your renewal documents as they may have changed.

