

ONTARIO AUTO INSURANCE REFORM

WHAT YOU NEED TO KNOW

To help stabilize rates, the Ontario government has implemented changes to auto insurance. Several measures are aimed at reducing fraud and abuse of the system, which increase premiums.

If you own a vehicle in Ontario, you're required by law to purchase coverage in case an accident occurs. At a minimum you must carry third-party liability, accident benefits, direct compensation property damage and uninsured automobile. You have the option to increase limits and purchase additional accident benefit coverage to protect your lifestyle.

ACCIDENT BENEFITS COVERAGE		PRIOR TO JUNE 2016	AS OF JUNE 2016	OPTIONS
Medical, Rehabilitation and Attendant Care Benefit	Medical and Rehabilitation: Reimbursement for reasonable, necessary medical and rehabilitation expenses like physiotherapy not covered by OHIP or Group Insurance Plans. Attendant Care: Reimbursement for an attendant to look after you either at home or within a healthcare facility.	\$50,000 for Medical and Rehabilitation for non-catastrophic injuries.* \$36,000 for Attendant Care for non-catastrophic injuries. \$1,000,000 for Medical and Rehabilitation for catastrophic injuries.** \$1,000,000 for Attendant Care for catastrophic injuries.	\$65,000 total for Medical Rehabilitation and Attendant Care for non-catastrophic injuries. \$1,000,000 total for Medical Rehabilitation and Attendant Care for catastrophic injuries.	Increase to \$130,000 for non-catastrophic injuries. Increase to \$2,000,000 for catastrophic injuries. Increase to \$1,000,000 for non-catastrophic injuries and \$2,000,000 for catastrophic injuries to total \$3,000,000.
Caregiver Benefit	Reimbursement to hire someone to care for your dependants.	Up to \$250/week for first dependant, \$50/week for additional dependants for catastrophic injuries only.	No change.	Extend benefit to cover serious and minor injuries not just catastrophic.
Housekeeping and Home Maintenance Expenses	Reimbursement for someone to carry out your household responsibilities.	Up to \$100/week for catastrophic injuries only.	No change.	Extend benefit to cover serious and minor injuries (not just catastrophic).
Income Replacement Benefit	A weekly income of up to \$400; begins one week after the accident occurs.	70% of gross income up to \$400/week.	No change.	Increase to \$600, \$800 or \$1,000/week.
Dependant Care Benefit	Reimbursement for additional expenses to care for your dependants if you're employed and injured from a car accident.	Not provided.	No change.	Purchase up to \$75/week for first dependant and \$25/week for additional dependants (max \$150/week).
Death and Funeral Benefit	A lump sum payout to your spouse and dependants; a second lump sum payment for funeral expenses.	\$25,000 to spouse; \$10,000 to each dependant. Up to \$6,000 for funeral expenses.	No change.	Increase to \$50,000 for spouse; \$20,000 for each dependant. Increase to \$8,000 for funeral expenses.
Indexation Benefit	Adjustment of benefits to account for changes in inflation.	Not provided.	No change.	Adjust annually according to the Consumer Price Index of Canada.
Tort Deductible	The amount deducted from a settlement or court award for pain and suffering.	\$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.

*Non-Catastrophic Injuries: Minor injuries (sprains, whiplash) and serious injuries (broken bones, severe strains). Medical, Rehabilitation and Attendant Care Benefits for minor injuries are fixed at a max limit of \$3,500.

**Catastrophic Injuries: Loss of a limb, para/quadruplegia.

We know auto insurance can be confusing. Our OTIP Insurance brokers will review your policy with you and explain all the details and costs of the coverages you need to fit your lifestyle. Call us today to learn more at 1-800-267-6847 or visit www.otip.com/autoreform.

