



## Important Changes to your Auto Insurance Changes to Ontario's Accident Benefits Coverage

As of June 1, 2016, the Ontario government has introduced changes to automobile insurance coverage to help make insurance premiums more affordable. **The changes only apply to auto insurance policies with an effective date or renewal date of June 1, 2016 or later.**

As of **June 2016**, there will be changes to the accident benefit limits in standard insurance policies and new options to increase coverage. New optional accident benefit choices will be made available to allow you to customize your policy to suit your individual needs. It is important to know that your coverage will be changing **on your first renewal on or after June 1<sup>st</sup>, 2016**. You will have received a letter from your insurance company to this effect. Our website and social media feeds have also been updated.

For general information regarding the changes to auto insurance in Ontario, you may contact the Insurance Bureau of Canada ([www.ibc.ca](http://www.ibc.ca)) or the Financial Services Commission of Ontario ([www.fsco.gov.on.ca](http://www.fsco.gov.on.ca)).

Your next insurance renewal will also provide more information on the changes and your new options. This will help you make an informed decision. Attached to this email are a few tools that we feel will help outline the changes and information for you to consider when making your choice of coverage. If you have any questions about your auto policy, please contact your broker.

# ONTARIO AUTO INSURANCE CUSTOMIZED



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.

As your lifestyle changes, so do your coverage needs. Regular reviews of your policy will ensure you have the coverage best-suited to your lifestyle.

## LIFESTYLE QUESTIONS

**\* Do you make more than \$30,000/year?**

Consider increasing your Income Replacement Benefit to \$600, \$800 or \$1,000.

**\* Are there people in your life who depend on you financially or for care (children, elderly or disabled)?**

Consider extending your Caregiver Benefit and/or adding a Dependant Care Benefit.

**\* Does your employer provide a Group Insurance Plan?**

Talk to your administrator to find out what you're covered for and consider increasing your Medical Rehabilitation Benefit. Most benefit packages are limited to \$500 a year per practitioner, and OHIP doesn't cover things like occupational therapy, private nursing and psychology.

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.

### THIRD PARTY LIABILITY

Protects you when someone is injured or killed, or property is damaged. Pays defense costs to settle claims from any lawsuits against you, up to the set limit. Legally in Ontario you must carry at least \$200,000 in liability.

### ACCIDENT BENEFITS

If you've been injured in an accident, regardless of who caused it, accident benefits cover expenses not covered by OHIP like rehabilitation, caregiving and loss of income. See chart for changes/options.

### DIRECT COMPENSATION PROPERTY DAMAGE

If someone else is at fault for an accident, direct compensation covers damage to your vehicle, its contents and equipment (stereo, speakers) including loss of use and contents.

### UNINSURED AUTOMOBILE

Protects you and your family if you're injured or killed by a hit-and-run driver or an uninsured motorist; covers damage to your vehicle caused by identified, uninsured drivers.

ACCIDENT BENEFITS COVERAGE		PRIOR TO JUNE 2016	AS OF JUNE 2016	OPTIONS
<b>Medical, Rehabilitation and Attendant Care Benefit</b>	<p><b>Medical + Rehabilitation:</b> Reimbursement for reasonable, necessary medical and rehabilitation expenses like physiotherapy not covered by OHIP or Group Insurance Plans.</p> <p><b>Attendant Care:</b> Reimbursement for an attendant to look after you either at home or within a healthcare facility.</p> <p><b>Non-Catastrophic Injuries:</b> Minor Injuries (sprains, whiplash) + Serious Injuries (broken bones, severe strains).</p> <p><b>Catastrophic Injuries:</b> Loss of a limb, para/quadruplegia.</p>	<p>\$50,000 for Medical + Rehabilitation (for Non-Catastrophic injuries)</p> <p>\$36,000 for Attendant Care (for Non-Catastrophic Injuries)</p> <p>\$1,000,000 for Medical + Rehabilitation (for Catastrophic Injuries)</p> <p>\$1,000,000 for Attendant Care (for Catastrophic Injuries)</p>	<p>\$65,000 total for Medical, Rehabilitation and Attendant Care (for Non-Catastrophic Injuries)</p> <p>\$1,000,000 total for Medical, Rehabilitation and Attendant Care (for Catastrophic Injuries)</p>	<p>Increase to \$130,000 (for Non-Catastrophic Injuries)</p> <p>Increase to \$2,000,000 (for Catastrophic Injuries)</p> <p>Increase to \$1,000,000 (for Non-Catastrophic Injuries) and \$2,000,000 (for Catastrophic Injuries) to total \$3,000,000</p>
<b>Caregiver Benefit</b>	Reimbursement to hire someone to care for your dependants.	Up to \$250/week for first dependant, \$50/week for additional dependants (Catastrophic Injuries only)	No Change	Extend benefit to cover Serious + Minor Injuries (not just Catastrophic)
<b>Housekeeping + Home Maintenance Expenses</b>	Reimbursement for someone to carry out your household responsibilities.	Up to \$100/week (Catastrophic Injuries only)	No Change	Extend benefit to cover Serious + Minor Injuries (not just Catastrophic)
<b>Income Replacement Benefit</b>	A weekly income 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
<b>Dependant Care Benefit</b>	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)
<b>Death + Funeral Benefit</b>	A lump sum payout to your spouse and dependant(s); a second lump sum payout to cover the cost of funeral expenses.	<p>\$25,000 to spouse; \$10,000 to each dependant</p> <p>Up to \$6,000 for Funeral</p>	No Change	<p>Increase to \$50,000 for spouse; \$20,000 for each dependant</p> <p>Increase to \$8,000 for funeral</p>
<b>Indexation Benefit</b>	Adjustment of benefits to account for changes in inflation.	Not Provided	No Change	Adjust annually according to the Consumer Price Index of Canada
<b>Tort Deductible</b>	The amount deducted from a settlement or court award for pain and suffering.	\$36,905.40 deductible (Jan 1 - Dec 31, 2016)	No Change	Reduce deductible by \$10,000 regardless of annual indexation

\*Medical, Rehabilitation and Attendant Care Benefits for minor injuries are fixed at a max limit of \$3,500.

Auto insurance coverage can be confusing. A licensed insurance broker will explain important details, review costs of increasing coverage and help you make informed decisions. They shop the market to find the right coverage based on your lifestyle. **Consider an insurance broker as your trusted advisor.**



Your Best Insurance  
is an Insurance Broker

## How Much Does An Injury Cost?

To make an informed choice about your auto insurance policy, you need to know what injuries resulting from car accidents can cost.

### Health Care Professional Rates & Fees | A Guideline

Health Care Profession or Provider	Maximum Hourly Rate <i>except catastrophic impairments</i>	Maximum Hourly Rate <i>catastrophic impairments*</i>
Chiropractors	\$112.81	\$135.36
Massage Therapists	\$58.19	\$89.07
Occupational Therapists	\$99.75	\$119.92
Physiotherapists	\$99.75	\$119.92
Podiatrists	\$99.75	\$119.92
Psychologists and Psychological Associates	\$149.61	\$179.29
Speech Language Pathologists	\$112.22	\$134.17
Registered Nurses, Registered Practical Nurses and Nurse Practitioners	\$91.43	\$109.24
Kinesiologists	\$58.19	\$89.07
<i>Unregulated Providers</i>		
Case Managers	\$58.19	\$89.07
Family Counsellors	\$58.19	\$89.07
Psychometrists	\$58.19	\$89.07
Rehabilitation Counsellors	\$58.19	\$89.07
Vocational Counsellors	\$58.19	\$89.07

\*This rate applies to all services rendered on or after September 6, 2014 to an insured person whose impairment is determined to be a catastrophic impairment as defined in the SABS whether such services are rendered before or after such determination is made.

Form	Maximum Payable for Completion of Form
Disability Certificate (OCF-3)	\$200.00
Treatment and Assessment Plan (OCF-18)	\$200.00
Automobile Insurance Standard Invoice (OCF-21)	\$0.00

Source: FSCO Professional Services Guideline No. 0314  
<https://www.fSCO.gov.on.ca/en/auto/autobulletins/2014/Documents/a-08-14-1.pdf>

No Injury	Minor Injury
<p><b>Probability:</b> 46%</p> <p>By far the most common type of accident in Ontario is your typical “fender bender” whereby no injuries are sustained.</p> <p><b>Examples of Costs:</b></p> <ul style="list-style-type: none"> <li>• Repairs to your car</li> <li>• Rental car (look for “loss of use” coverage)</li> <li>• Contents from your car</li> </ul>	<p><b>Probability:</b> 28%</p> <p>Examples of a minor injury include sprains or whiplash. When injuries are deemed minor, medical and rehabilitation benefits are limited to \$3,500 regardless of the level of coverage.</p> <p><b>Examples of Costs:</b></p> <ul style="list-style-type: none"> <li>• Ambulance Fees (\$45 - \$200)</li> <li>• Short-term physiotherapy (\$2,200 - \$3,500) and could include physiotherapy, acupuncture or chiropractor</li> <li>• Doctor’s fees not covered by OHIP (\$82-\$200)</li> </ul>
Serious Injury	Catastrophic Injury
<p><b>Probability:</b> 22%</p> <p>Examples include broken bones or severe sprains. These types of injuries could disrupt your life and require a longer period of recovery.</p> <p><b>Examples of Costs:</b></p> <ul style="list-style-type: none"> <li>• Medical assessments (\$2,000)</li> <li>• Examinations (\$1,500 average)</li> <li>• Physiotherapy costs (\$3,000 - \$4,500 every 60 days)</li> <li>• Drug prescriptions (\$25 - \$100 per month)</li> <li>• Mobility devices (thousands of dollars and need to be replaced and repaired)</li> <li>• Care for your dependants (children or elderly parents, for example)</li> <li>• Training for your career (example: vocational specialist or occupational therapist)</li> </ul>	<p><b>Probability:</b> Less than 5%</p> <p>Examples: loss of a limb, paraplegia. Catastrophic injuries result in increased benefits. This is the most serious and unfortunate type of injury, resulting in long term or permanent disability. Although rare, the potentially overwhelming costs of this type of injury is why most of us buy insurance in the first place. The costs of helping you reintegrate back into society after this type of injury are much larger in scale and may be ongoing for the remainder of your life.</p> <p><b>Examples of Costs:</b></p> <ul style="list-style-type: none"> <li>• The costs outlined under “serious injury” continue over the course of a lifetime</li> <li>• 24/7 attendant care (\$6000 per month)</li> <li>• Modifications to your home could be required</li> </ul>

The information contained in this document, including but not limited to, costs or probabilities, is for general information purposes only and is subject to change at any time without notice. This document has been designed as a learning tool whereby the information is provided to you on an “as is” basis without warranty, whether express or implied, including, but not limited to, the implied warranties of non-infringement, security or accuracy. The Insurance Brokers Association of Ontario (the “IBAO”) has made reasonable efforts to ensure that this information is current and accurate, at the time of writing however, it is your responsibility to evaluate the accuracy and completeness of all information contained within this document. Any reliance you place on such information is therefore strictly at your own risk. Under no circumstances will the IBAO be liable for any loss or damage caused by your reliance on information. This document contains proprietary information and shall not be used, disclosed or reproduced, in whole or in part, for any purpose other than its specified purpose, without the prior written consent of the IBAO.

## Optional Accident Benefits Confirmation Form

\* Please choose an option for each of the 7 coverages below. If you wish to choose additional coverage please contact our office immediately for correct pricing.

**Increased Medical, Rehabilitation and Attendant Care** – The standard benefit pays up to \$65,000 for medical, rehabilitation and attendant care expenses for non-catastrophic injuries. If catastrophically impaired, the standard benefit pays up to \$1,000,000 for medical, rehabilitation and attendant care expenses. You can purchase optional medical, rehabilitation and attendant care benefits for non-catastrophic injuries of \$130,000. You can purchase optional benefits for catastrophic injuries to \$2,000,000 or increase medical, rehabilitation and attendant care benefits to \$1,000,000 for non-catastrophic injuries and \$2,000,000 for catastrophic injuries.

- Requested Standard Medical Rehabilitation and Attendant Care
- Increase for non-catastrophic \$130,000
- Increase to \$2,000,000 for catastrophic
- Increase for non-catastrophic \$1,000,000 & \$2,000,000 for catastrophic

**Caregiver, Housekeeping and Home Maintenance Expenses** – The standard caregiver, housekeeping and home maintenance expenses benefit is available only for a person who is catastrophically impaired. You can purchase an optional benefit to provide this coverage for all impairments.

- Requested Standard Caregiver, Housekeeping & Home Maintenance Coverage
- Requested extended benefit to cover serious + minor injuries (as well as catastrophic)

**Increased Income Replacement** – The standard level of income replacement provided in the policy, \$400/wk maximum, can be increased to \$600/wk, \$800/wk or \$1,000/wk

Requested Income Replacement Option      \$400 (standard)       \$600       \$800       \$1,000

	Is your income close to or greater than	Consider an IRB at this level
<b>What Income Replacement Benefit (IRB) is best for your customer?</b>	\$30,000/year?	\$600/week
	\$45,000/year?	\$800/week
	\$60,000/year?	\$1,000/week

**Dependant Care** – There is no standard dependant care benefit for persons who are employed and care for dependants. You can purchase an optional benefit to receive additional weekly dependant care expenses of \$75/wk for the first dependant and \$25/wk for each additional dependant, up to \$150/wk.

- Requested Dependant Care coverage

**Increased Death and Funeral** – The standard level of death benefits paid to the surviving spouse and dependant of a person who is killed - \$25,000 to surviving spouse, \$10,000 to surviving dependant can be doubled by purchasing this optional coverage. This coverage also increases the standard funeral expense benefit from \$6,000 to \$8,000.

- Requested Standard Death & Funeral Benefit
- Requested optional Death + Funeral Benefit \$50,000 to spouse/\$20,000 to each dependant/\$8,000 for funeral

**Indexation Benefit** – This optional coverage will ensure that certain weekly benefit payments and monetary limits will increase on an annual basis to reflect changes in the cost of living.

- Requested optional Indexation Benefit

**Tort Deductible – OPCF 48** – This endorsement will provide a buy down on the deductible currently imposed by the Insurance Act on any settlement you may be awarded for pain and suffering following an automobile accident.

- Requested to include reduced deductible option

I/we warrant that the broker has fully explained the automobile insurance coverage and options outlined above. I/we understand that my/our selections for these coverages will affect the potential amount I/we can receive toward settlement should I/we be injured in an automobile accident. I/we have read, understood and agree to the selections made to my/our coverage set out above and warrant that I/we have had a reasonable opportunity to consider the effect of these changes on my/our coverage. As such, I/we request that the broker obtains automobile insurance coverage on my/our behalf with the coverage limits and options selected above.

Signature \_\_\_\_\_

Date \_\_\_\_\_