

Caution:

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.

CONSULTATION DRAFT

ONTARIO REGULATION

to be made under the

INSURANCE ACT

Amending O. Reg. 34/10

(STATUTORY ACCIDENT BENEFITS SCHEDULE - EFFECTIVE SEPTEMBER 1, 2010)

1. Section 2 of the Regulation is amended by adding the following subsections:

(1.0.1) The benefits set out in Parts II, IV, V and VI of this Regulation shall be offered as optional benefits under every contract evidenced by a motor vehicle liability policy entered into or renewed on or after [date reg CIF].

(1.0.2) On or after [date reg CIF], an insured person and an insurer may agree in writing to change a contract evidenced by a motor vehicle policy entered into before that date in respect of the optional benefits set out in Parts II, IV, V and VI of this Regulation.

2. The heading to section 4 of the Regulation is revoked.

3. The Regulation is amended by adding the following section:

Benefits optional

4.1 (1) Every insurer shall offer the following optional benefits under every contract evidenced by a motor vehicle liability policy and, if a benefit is purchased, the applicable rules set out in this Part apply:

1. An income replacement benefit, as described in sections 5 to 11.
2. A non-earner benefit, as described in section 12.
3. A caregiver benefit, as described in section 13.

(2) The optional benefits referred to in subsection (1) are only applicable to,

- (a) the named insured;
- (b) the spouse of the named insured;
- (c) the dependants of the named insured and of the named insured's spouse; and
- (d) the persons specified in the policy as drivers of the insured automobile.

(3) An optional benefit referred to in subsection (1) may be purchased at any time before an accident in respect of which an application for benefits is made.

(4) If a person purchases an optional benefit referred to in subsection (1), the insurer shall issue to the person the endorsement set out in the form approved by the Chief Executive Officer for that purpose under section 227 of the Act.

4. The Regulation is amended by adding the following heading before section 5 of the Regulation:

INCOME REPLACEMENT BENEFITS

5. The value of "B" in subsection 7 (1) of the Regulation is revoked and the following substituted:

"B" is the amount fixed by the optional benefit.

6. Subsection 12 (2) of the Regulation is amended by striking out "\$185" and substituting "the amount fixed by the optional benefit".

7. (1) Subsection 13 (1) of the Regulation is amended by striking out "a catastrophic impairment" in the portion before clause (a) and substituting "an impairment".

(2) Clause 13 (2) (a) of the Regulation is amended by striking out "\$250" at the beginning and substituting "the amount fixed by the optional benefit".

(3) Clause 13 (2) (b) of the Regulation is amended by striking out "\$50" at the beginning and substituting "the amount fixed by the optional benefit".

8. Part IV of the Regulation is amended by adding the following section:

Benefits optional

20.1 (1) Every insurer shall offer the following optional benefits under every contract evidenced by a motor vehicle liability policy and, if a benefit is purchased, the applicable rules set out in this Part apply:

1. A benefit to cover lost educational expenses, as described in section 21.
2. A benefit to cover expenses of visitors, as described in section 22.
3. A benefit to cover housekeeping and home maintenance expenses, as described in section 23.
4. A benefit to cover damage to clothing, glasses, hearing aids, etc., as described in section 24.

(2) The optional benefits referred to in subsection (1) are only applicable to,

- (a) the named insured;
- (b) the spouse of the named insured;
- (c) the dependants of the named insured and of the named insured's spouse; and
- (d) the persons specified in the policy as drivers of the insured automobile.

(3) The optional benefits referred to in subsection (1) may be purchased at any time before an accident in respect of which an application for benefits is made.

(4) If a person purchases an optional benefit referred to in subsection (1), the insurer shall issue to the person the endorsement set out in the form approved by the Chief Executive Officer for that purpose under section 227 of the Act.

9. Subsection 21 (1) of the Regulation is amended by striking out "\$15,000" in the portion before clause (a) and substituting "the amount fixed by the optional benefit".

10. Subsection 22 (1) of the Regulation is amended by adding "up to the maximum amount fixed by the optional benefit" after "recovery" in the portion before paragraph 1.

11. (1) Section 23 of the Regulation is amended by striking out "\$100 per week" and substituting "the amount fixed by the optional benefit" and by striking out "a catastrophic impairment" and substituting "an impairment".

(2) Section 23 of the Regulation is amended by adding the following subsection:

(2) Despite subsection (1), if the impairment sustained by the insured person is not a catastrophic impairment, expenses incurred more than 104 weeks after the onset of the disability are not payable by the insurer.

12. Section 24 of the Regulation is amended by adding “up to the maximum amount fixed by the optional benefit” after “following” in the portion before paragraph 1.

13. The Regulation is amended by adding the following heading before section 25:

**PART IV.1
PAYMENT OF EXAMINATION EXPENSES**

14. Part V of the Regulation is amended by adding the following section:

Benefits optional

25.1 (1) Every insurer shall offer the following optional benefits under every contract evidenced by a motor vehicle liability policy and, if a benefit is purchased, the applicable rules set out in this Part apply:

1. A death benefit, as described in section 26.
2. A funeral benefit, as described in section 27.

(2) The optional benefits referred to in subsection (1) are only applicable to,

- (a) the named insured;
- (b) the spouse of the named insured;
- (c) the dependants of the named insured and of the named insured's spouse; and
- (d) the persons specified in the policy as drivers of the insured automobile.

(3) An optional benefit referred to in subsection (1) may be purchased at any time before an accident in respect of which an application for benefits is made.

(4) If a person purchases an optional benefit referred to in subsection (1), the insurer shall issue to the person the endorsement set out in the form approved by the Chief Executive Officer for that purpose under section 227 of the Act.

15. (1) Paragraphs 1 to 3 of subsection 26 (2) of the Regulation are revoked and the following substituted:

1. A payment to the insured person's spouse of the amount fixed by the optional benefit.
2. A payment to each of the insured person's dependants and to each person to whom the insured person had an obligation at the time of the accident to provide support under a domestic contract or court order of the amount fixed by the optional benefit.

3. If no payment is required by paragraph 1, an additional payment to the insured person's dependants and the persons, other than a former spouse of the insured person, to whom the insured person had an obligation at the time of the accident to provide support under a domestic contract or court order, to be divided equally among the persons entitled, of the amount fixed by the optional benefit.

(2) Paragraphs 4 and 5 of subsection 26 (2) of the Regulation are amended by striking out "\$10,000" wherever it appears and substituting in each case "the amount fixed by the optional benefit".

16. Subsection 27 (2) of the Regulation is revoked and the following substituted:

(2) The funeral benefit shall pay for funeral expenses incurred in an amount not exceeding the amount fixed by the optional benefit.

17. The heading to Part VI of the Regulation is revoked and the following substituted:

PART VI ADDITIONAL OPTIONAL BENEFITS

18. (1) Paragraphs 1, 2, and 6 of subsection 28 (1) of the Regulation are revoked.

(2) Section 28 of the Regulation is amended by adding the following subsection:

(1.1) Nothing in this section restricts or otherwise limits an insurer from offering an optional benefit not listed in this Regulation that has been approved by the Chief Executive Officer.

19. Subsection 29 (2) of the Regulation is revoked and the following substituted:

(2) Despite subsection (1), the amount of optional dependant care benefits shall not exceed the amount fixed by the optional benefit.

20. Clause 37 (2) (f) of the Regulation is amended by striking out "paragraph 2 of subsection 28 (1)".

21. (1) Subsection 47 (2) of the Regulation is amended by adding "or Part IV.1" after "Part IV".

(2) Section 47 of the Regulation is amended by adding the following subsection:

(2.1) Despite subsection (2), payment of a medical or rehabilitation benefit, other than for medication expenses, for an accident that occurs in Ontario on or after [date reg CIF] is required

for that portion of an expense for which payment is reasonably available to the insured person under a supplementary health insurance plan.

(3) Subsection 47 (3) of the Regulation is amended by adding the following definition:

“supplementary health insurance plan” means,

- (a) a group plan, including a plan sponsored by an employer or a union as part of an employee benefits program, or purchased through a professional association or group, for medical and rehabilitation coverage, or
- (b) an individual plan, including a plan purchased by an individual from an insurance agent, broker or company, for medical and rehabilitation coverage; (“French”)

22. Paragraph 1 of subsection 68 (2) is amended by adding “as it read immediately before [date reg CIF]” at the end.

Commencement

23. [Commencement]