**Ministry of Finance: A Consultation on Regulations for Parts V and VII of the Insurance Act**

**Your input is requested**

The 2012, 2013 and 2014 Budget Bill amendments made to Part V (Life Insurance) and Part VII (Accident and Sickness Insurance) of the *Insurance Act* are unproclaimed, pending the development of regulations.

Four new regulations are proposed.

1. One regulationis primarily to specify the changes that affect the terms and conditions of or actions in regard to life insurance policies (Part V) issued on or after proclamation of the amendments. The regulation will also specify other changes that affect all life insurance policies, whether issued on, after or prior to proclamation.

2. A second regulation is to specify the same distinction as in item 1 above but for accident and sickness insurance policies (Part VII).

3. The third and fourth regulations are related to thenew right of a group insured person or a claimant to receive a copy of the group insurance policy, a right under both Parts V and VII.

Group insurance policies have personal information of the group insured person who receives a copy of the policy, as well as personal information of other group insured persons and other information that is not appropriate to be disclosed to the person receiving the policy.

As a result, the *Insurance Act* amendments granting the new right also require that personal information of otherscontained in the policy be kept confidential,as well as other information to be specified by regulation. The third new regulation is to specify what additional information is to be kept confidential in group life insurance policies (Part V), while the fourth is to specify such information for group accident and sickness insurance policies (Part VII).

The proposed regulations are intended to harmonize with regulations already adopted by Alberta and British Columbia so as to provide similar rights to insured persons and policyholders in different jurisdiction. The harmonization is also intended to eliminate the cost to insurance companies of needing to comply with a multitude of different regulatory requirements.

**Documents**

Parts V and VII of the *Insurance Act* are available at e-Laws

<http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90i08_e.htm>

 where the unproclaimed Part V and VII amendments are highlighted by shading.

The proposed regulations are in the Appendices “A”, “B”, “C” and “D” to this Consultation Paper.

**Questions**

The Ministry of Finance is asking for your response to the following questions.

1. Based on the goal of harmonization, are the changes in the four proposed regulations sufficient to adhere to this intent?

2. In regard to the proposed regulations extending confidentiality, are there any other circumstances for which confidentiality should be provided?

3. Should the amendments to Parts V and VII be proclaimed on July 1, 2015, January 1, 2016 or some other date in order for an adequate transition period and why is the length of transition period required?

**Consultation Details**

Written submissions are sought for receipt by May 19, 2015.

The submissions may be sent by email to insuranceconsultation@ontario.ca. Please use subject line: Parts V and VII Insurance Act Consultation.

Alternatively, submissions may be sent by mail to:

Insurance Policy Branch, Ministry of Finance

Frost Building North, 4th Floor

95 Grosvenor Street

Toronto, Ontario M7A1Z1

Please note that all submissions received by the Ministry of Finance are subject to the *Freedom of Information and Protection of Privacy Act*.

Submissions received will be posted on the website of the Ministry of Finance.

Any submissions or other materials received, or summaries of them, may be disclosed to other interested parties during and after the consultation. Personal information will not be disclosed without prior consent.

If for any reason you feel that your submissions should not be posted publicly or shared with other parties, please indicate this in your covering letter.

If you have any questions or concerns about this consultation, or how any element of your submission may be used or disclosed, please contact insuranceconsultation@ontario.ca.

**Appendix “A”**

**Proposed Regulation for Part V Amendments to the Insurance Act**

**LIFE INSURANCE - APPLICATION OF PART V OF THE ACT**

**Definitions**

 **1.** In this Regulation,

“2012 amendments” means Schedule 23 to the *Strong Action for Ontario Act (Budget Measures), 2012*;

“2013 amendments” means Schedule 8 to the *Prosperous and Fair Ontario Act (Budget Measures), 2013*.

**Section 175 of the Act**

 **2.** (1) Paragraph 7 of subsection 175 (2) of the Act, as it reads on and after the day subsection 6 (2) of the 2013 amendments comes into force, applies only to policies issued on or after that day.

 (2) Subsection 175 (3) of the Act, as it reads on and after the day section 11 of the 2012 amendments comes into force, applies only to policies issued on or after that day.

 (3) For policies that were issued before the day referred to in subsection (2), subsection 175 (3) of the Act, as it read immediately before that day, continues to apply.

**Section 176 of the Act**

 **3.** Paragraphs 6 to 8 of section 176 of the Act, as they read on and after the day section 12 of the 2012 amendments comes into force, apply only to policies issued on or after that day.

**Section 177 of the Act**

 **4.** (1) Section 177 of the Act, as it reads on and after the day section 13 of the 2012 amendments comes into force, applies only to certificates and other documents issued under that section on or after that day.

 (2) For certificates and other documents that were issued before the day referred to in subsection (1), section 177 of the Act, as it read immediately before that day, continues to apply.

**Section 179 of the Act**

 **5.** (1) Section 179 of the Act, as it reads on and after the day section 14 of the 2012 amendments comes into force, applies only to contracts made on or after that day.

 (2) For contracts that were made before the day referred to in subsection (1), section 179 of the Act, as it reads immediately before that day, continues to apply.

**Section 201.1 of the Act**

 **6.** Section 201.1 of the Act, as it reads on and after the day section 27 of the 2012 amendments comes into force, applies only with respect to claims arising on or after the day that is two years before the day section 27 of the 2012 amendments comes into force.

**Appendix “B”**

**Proposed Regulation for Part VII Amendments to the Insurance Act**

**ACCIDENT AND SICKNESS INSURANCE - APPLICATION OF PART VII OF THE ACT**

**Definitions**

 **1.** In this Regulation,

“2012 amendments” means Schedule 23 to the *Strong Actions for Ontario Act (Budget Measures), 2012*;

“2013 amendments” means Schedule 8 to the *Prosperous and Fair Ontario Act (Budget Measures), 2013*.

**Section 293 of the Act**

 **2.** (1) Section 293 of the Act, as it reads on and after the day section 36 of the 2012 amendments comes into force, applies only to contracts made on or after that day.

 (2) For contracts that were made before the day referred to in subsection (1), section 293 of the Act as it read immediately before that day continues to apply.

**Section 294 of the Act**

 **3.** (1) Paragraph 6 of subsection 294 (2) of the Act, as it reads on and after the day subsection 37 (2) of the 2012 amendments comes into force, applies only to policies issued on or after that day.

 (2) Subsection 294 (3) of the Act, as it reads on and after the day subsection 37 (3) of the 2012 amendments comes into force, applies only to policies issued on or after that day.

**Section 296 of the Act**

 **4.** (1) Section 296 of the Act, as it reads on and after the day subsection 39 (1) of the 2012 amendments comes into force, applies only with respect to contracts made on or after that day.

 (2) For contracts that were made before the day referred to in subsection (1), section 296 of the Act as it read immediately before that day continues to apply.

 (2) Paragraphs 6 to 8 of section 296 of the Act, as they read on and after the day subsection 39 (2) of the 2012 amendments comes into force, applies only with respect to contracts made on or after that day.

**Section 297 of the Act**

 **5.** (1) Section 297 of the Act, as it reads on and after the day section 40 of the 2012 amendments comes into force, applies only with respect to the termination of a contract or benefit provision that occurs on or after that day.

 (2) If the contract or benefit provision was terminated before the day referred to in subsection (1), section 297 of the Act as it read immediately before that day continues to apply with respect to the termination.

**Section 298 of the Act**

 **6.** (1) Subsection 298 (1) of the Act, as it reads on and after the day subsection 41 (1) of the 2012 amendments comes into force, applies only to certificates and other documents issued on or after that day.

 (2) For certificates and other documents that were issued before the day referred to in subsection (1), subsection 298 (1) of the Act as it read immediately before that day, continues to apply.

 (3) Paragraphs 4 to 7 of subsection 298 (1) of the Act, as they read on and after the day subsection 41 (3) of the 2012 amendments comes into force, applies only to certificates and other documents issued on or after that day.

**Section 300 of the Act**

 **7.** (1) Section 300 of the Act, as it reads on and after the day subsection 42 (1) of the 2012 amendments comes into force, applies only to contracts made on or after that day.

 (2) For contracts that were made before the day referred to in subsection (1), section 300 of the Act as it read immediately before that day continues to apply.

**Section 302 of the Act**

 **8.** (1) Section 302 of the Act, as it reads on and after the day section 43 of the 2012 amendments comes into force, applies only to contracts made on or after that day.

 (2) For contracts that were made before the day referred to in subsection (1), section 302 of the Act as it read immediately before that day continues to apply.

**Section 305 of the Act**

 **9.** (1) Section 305 of the Act, as it reads on and after the day section 47 of the 2012 amendments comes into force, applies only to policies issued on or after that day.

 (2) For policies that were issued before the day referred to in subsection (1), section 305 of the Act as it read immediately before that day continues to apply.

**Section 308 of the Act**

 **10.** (1) Subsections 308 (2) and (3) of the Act, as they read on and after the day section 24 of the 2013 amendments comes into force, apply only to applications made on or after that day.

 (2) Subsections 308 (2) and (3) of the Act, as they read immediately before the day section 24 of the 2013 amendments come into force, continue to apply to applications made before that day.

**Section 309 of the Act**

 **11.** (1) Section 309 of the Act, as it reads on and after the day section 50 of the 2012 amendments comes into force, applies only to applications made on or after that day.

 (2) For applications that were made before the day referred to in subsection (1), section 309 of the Act as it read immediately before that day continues to apply.

**Section 311 of the Act**

 **12.** (1) Section 311 of the Act, as it reads on and after the day section 51 of the 2012 amendments comes into force, applies only to contracts made on or after that day.

 (2) For contracts that were made before the day referred to in subsection (1), section 311 of the Act as it read immediately before that day continues to apply.

**Section 318.1 of the Act**

 **13.** Section 318.1 of the Act, as it reads on and after the day section 61 of the 2012 amendments comes into force, applies only to claims arising on or after the day that is two years before the day section 61 of the 2012 amendments comes into force.

 **Appendix “C”**

**Proposed Regulation for Additional Confidential Information – Group Life Insurance Policies**

**LIFE INSURANCE – GENERAL**

**Access to group insurance documents: prescribed information**

 **1.** The following information in a policy of group insurance or a policy of creditor’s group insurance is prescribed for the purposes of clause 174 (8) (b) of the Act:

 1. Information in the policy that, if disclosed, would reveal confidential commercial information that a reasonable person would think could harm the competitive position of the insurer or the insured.

 2. Information in the policy that, if disclosed, would reveal plan design and benefits information relating to a different class of group insured than the group insured to whom or in respect of whom the disclosure is being made.

**Appendix “D”**

**Proposed Regulation for Additional Confidential Information –**

**Group Accident and Sickness Insurance Policies**

**ACCIDENT AND SICKNESS INSURANCE – GENERAL**

**Access to group insurance documents: prescribed information**

1. The following information in a policy of group insurance or a policy of creditor’s group insurance is prescribed for the purposes of clause 293 (8) (b) of the Act:

 1. Information in the policy that, if disclosed, would reveal confidential commercial information that a reasonable person would think could harm the competitive position of the insurer or the insured.

 2. Information in the policy that, if disclosed, would reveal plan design and benefits information relating to a different class of group insured than the group insured to whom or in respect of whom the disclosure is being made.