

C14 Ontario: Automobile Insurance—Part 1

Addendum—January 2020 (To be used with 2019 edition of the text.)

The following is a list of updates since the last printing of the text, including Newfoundland and Labrador’s shift from a tort-based system to a direct compensation system as of January 1, 2020.

Study 1

Page	Section	Update
1-3	Federal Jurisdiction	Replace the first three sentences in the second paragraph: The <i>Criminal Code</i> , which is federal legislation that applies in all provinces and territories, has several sections on driving offences. They cover the criminally negligent operation of a motor vehicle, impaired driving, driving with more than 0.08 mg of alcohol in the blood, and refusing to give a breath sample to a peace officer.
1-8	Motor Vehicle Liability Insurance Cards	Replace the first sentence in the second paragraph: In 2018, the Superintendent of Insurance of Nova Scotia became the first regulator in Canada to permit electronic proof of auto insurance (EPAI), or “eSlips.”

Study 2

Page	Section	Update
2-5	Direct Compensation Systems	Change the first sentence in the paragraph under the Example box: The “knock-for-knock” concept laid the groundwork for modern direct compensation concepts that underpin the direct compensation–property damage coverage included in the standard automobile policies in many Canadian jurisdictions.
2-7	Exhibit—Priorities of Payment	Change the second entry for Quebec: Quebec [†] \$450,000 \$50,000
2-19	Example—DCPD Claim with Deductible	Add to the first paragraph under both Scenario 1 and Scenario 2: His car sustains \$5,000 of damage.

Studies 3, 6, 9, and 11

General Note:

Regulation of automobile insurance in Ontario continues to transition to the Financial Services Regulatory Authority (FSRA). During the transition, until FSRA issues new regulatory direction, all existing Financial Services Commission of Ontario (FSCO) regulatory direction remains in force.

Study 3

Page	Section	Update
3-4	Insured Persons Under Accident Benefits Coverage	<p>Replace the lettered list (regarding SABS):</p> <ol style="list-style-type: none"> a. For accidents in or outside Ontario, involving the insured automobile or another automobile, the insured is <ul style="list-style-type: none"> • the named insured and any person specified in the policy as a driver of the insured automobile; • the spouse of the named insured; • any dependant of the named insured or spouse; or • persons who were not actually involved in the accident, but who suffer psychological or mental injuries because of an accident that injures certain relatives or dependants. b. For accidents in Ontario only, a person who is involved in an accident involving the insured automobile. c. For accidents outside of Ontario, a person who is an occupant of the insured automobile and who is a resident of Ontario, or was a resident of Ontario at some point during the 60 days prior to the accident.

Study 5

Page	Section	Update
5-13	Leased and Phantom Vehicles	The key term near the bottom of the first paragraph in this section should be “vehicle identification numbers (VINs).”

Study 7

Page	Section	Update
7-11	Vehicle Rate Groups	<p>Add Newfoundland and Labrador to the first sentence in the second paragraph under the Example box:</p> <p>Because of the direct compensation plans in effect in Quebec, Ontario, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, and New Brunswick, rate groups are in use for third-party liability coverage (Section A).</p>

Study 9

Page	Section	Update
9-16	Provincial Regulations for Ridesharing	<p>Change the first paragraph of this section:</p> <p>In 2016, regulators in Alberta, Ontario, and Quebec developed unique approaches to insuring ridesharing activities. Later, Manitoba and Saskatchewan implemented their own approaches, and British Columbia is working to finalize its approach by the start of 2020. Other provinces and territories have yet to come up with solutions to accommodate ridesharing.</p>
9-17	Quebec	<p>Change the second sentence:</p> <p>The Assemblée nationale du Québec passed Bill 100, “An Act to amend various legislative provisions respecting mainly transportation services by taxi,” in June 2016, affirming that ridesharing will be regulated as a taxi service.</p>
9-17	New	<p>Add section:</p> <p>Manitoba Manitoba permits rideshare companies (sometimes referred to as transportation network companies or TNCs) and drivers to operate in the province, provided they have municipal authorization and meet provincial and municipal requirements.</p>

		<p>Rideshare drivers in Manitoba can operate their vehicle with a regular passenger vehicle and light truck (Class 5) driver's licence and regular passenger vehicle licence plates.</p> <p>Rideshare drivers can purchase passenger vehicle-for-hire coverage from Manitoba Public Insurance (MPI). They will be covered under basic Autopac and personal injury protection plan benefits. Coverage includes a \$500 deductible and the option to purchase Autopac extension insurance (such as lower deductibles or increased third-party liability coverage). The cost of this coverage is determined based on the time the rideshare driver will be working. MPI has designated four timebands, and coverage for each timeband adds 5 percent to the basic Autopac premium. Coverage for operating in all timebands will cost rideshare drivers an additional 20 percent over basic Autopac premiums:</p> <ol style="list-style-type: none"> 1. Weekdays (excluding rush hour) 2. Rush hour 3. Overnight 4. Weekends
9-17	New	<p>Add section:</p> <p>Saskatchewan Saskatchewan permits rideshare companies (sometimes referred to as transportation network companies or TNCs) and drivers to operate in the province, provided they have municipal authorization and meet provincial and municipal requirements.</p> <p>Rideshare drivers have the option of using a commercial class licence (Class 1 to 4) or a Class 5 licence (licence for driving cars, vans, two-axle trucks, two-axle vehicles having a trailer[s] or vehicle[s] in tow where the gross weight of the towed unit[s] does not exceed 4,600 kg, buses when not transporting passengers, three-axle motorhomes, and taxis and ambulances when not used for hire).</p> <p>Drivers using their Class 5 licence must meet the following requirements:</p> <ul style="list-style-type: none"> • Have at least two years of post-graduated licensing driving experience • Have no impaired driving-related licence suspensions in the past 10 years • Have a clear driver record (less than 12 points under the driver improvement program in the last two years) <p>Rideshare vehicles are registered with Saskatchewan Government Insurance (SGI) as Class LV (light vehicle) and require a rideshare indicator on their registration certificate through SGI. They also need to pass a vehicle inspection. Rideshare company decals must be displayed on the vehicle.</p> <p>While a driver is engaged in ridesharing (that is, on the way to pick up a passenger or driving a passenger) and is responsible for a collision, the driver's personal package policy (for example, SGI Canada AutoPak) will not apply—the rideshare company's policy will respond. The rideshare driver will still have basic plate insurance in this case, but it will be the rideshare company's liability insurance that applies if damages exceed \$200,000 (the liability insurance included with basic plate insurance).</p> <p>If a rideshare driver has purchased extension insurance to lower the deductible, or for replacement cost coverage if involved in a collision, this coverage will not apply if he or she is involved in a collision while engaged in ridesharing.</p>

Study 10

Page	Section	Update
10-7	Conversion	Change the first sentence in the second paragraph from the bottom of the page: The conversion endorsement (OPCF 5D in Ontario, QEF 5D in Quebec, and SEF 5D in other provinces and territories) ...

Study 11

Page	Section	Update
11-17	Introduction	Change the first sentence in the first paragraph: The Facility Association manages risk sharing pools in Alberta, New Brunswick, Nova Scotia, and Ontario, which are established under the Plan of Operation. ¹ ¹ At the time of publication, the Facility Association and the Newfoundland and Labrador government are working to establish a new “all-comers” risk sharing pool. It will allow Newfoundland and Labrador drivers currently insured through the Facility Association, but not considered to be the highest risk, to be insured through the regular market while allowing insurance companies to share that risk with all insurers.

Study 12

Page	Section	Update
12-4	Exhibit— Automobile Coverage in Canada	Change in the Newfoundland and Labrador column: Legal Type: No-fault Minimum Coverage Required: Third-party liability Direct compensation–property damage Uninsured automobile
12-6	Provinces and Territories with Private Insurance Schemes	Add Newfoundland and Labrador to third bullet in list at bottom of page: • Direct compensation–property damage (in New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island)
12-12	Exhibit—Tort and No-Fault Property Damage Coverage Across Canada	Move Newfoundland and Labrador from Tort to No-Fault.
12-13	Direct Compensation Schemes: New Brunswick, Nova Scotia, Ontario, and Prince Edward Island	Add Newfoundland and Labrador to the title: Direct Compensation Schemes: New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island Remove Newfoundland and Labrador in middle of first paragraph: In jurisdictions with tort schemes—Alberta, British Columbia, Northwest Territories, Nunavut, and Yukon—the at-fault party is responsible for paying for the damage he or she causes to another person's property due to his or her negligent operation of the automobile. Add Newfoundland and Labrador to the first sentence of the second paragraph: New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island have direct compensation schemes.
12-15	Tort Schemes: Alberta, British Columbia,	Remove Newfoundland and Labrador from the title:

	Newfoundland and Labrador, Northwest Territories, Nunavut, and Yukon	<p>Tort Schemes: Alberta, British Columbia, Northwest Territories, Nunavut, and Yukon</p> <p>Remove Newfoundland and Labrador from the first sentence in the first paragraph: Alberta, British Columbia, Northwest Territories, Nunavut, and Yukon have tort systems of automobile insurance operated entirely by private sector insurance companies.</p>
12-16	New	<p>Add after the Example box:</p> <p>Tort Claim in British Columbia Government Plan Basic Autoplan insurance covers the owner of the insured vehicle and any other authorized licensed driver for basic limits and third-party legal liability, and provides no-fault accident benefits. See Example—Vehicle Damage Claim.</p> <p>Example—Vehicle Damage Claim Mary and Elena are involved in an intersection accident in British Columbia. Both are insured under basic Autoplan for accident benefits and third-party liability coverage with a \$200,000 limit. Elena has also purchased optional coverage from ICBC, including an increased liability coverage limit of \$500,000 and collision coverage with a \$300 deductible.</p> <p>Liability for the accident is split: Mary is 60 percent liable and Elena is 40 percent liable. Damage to Mary's vehicle is \$800 and damage to Elena's vehicle is \$1,200. Insurance payments will be apportioned as follows:</p> <p>Mary Paid by Autoplan under third-party liability (40% × \$800 [damage to her vehicle]) = \$320 Total recovery = \$320 Since she has no collision coverage, Mary will not receive anything else to cover the damage.</p> <p>Elena Paid by Autoplan under third-party liability (60% × \$1,200 [damage to her vehicle]) = \$720 Paid by Autoplan under collision (\$480 - \$120 [40% of her \$300 deductible]) = \$360 Total recovery = \$1,080</p>
12-21	Summary	<p>Add Newfoundland and Labrador in the first sentence of the second paragraph: New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island have direct compensation schemes.</p> <p>Remove Newfoundland and Labrador in the middle of the second paragraph: Alberta, British Columbia, Northwest Territories, Nunavut, and Yukon have tort systems of automobile insurance, and all but British Columbia's are operated entirely by private sector insurance companies.</p>