

Ontario Automobile Insurance—Licensing Supplement
Addendum—May 2016
(To be used with 2015 edition of the text.)

Study 2, Page 14 – The following heading, paragraph and definition are inserted after the section entitled **Right to sue—Economic Loss**:

Non-Pecuniary/Non-Economic Loss

Some losses are not readily assessable in money. These **non-pecuniary** (also called **non-economic**) losses can result from automobile accidents and are considered in the Ontario *Insurance Act*.

Definition

non-pecuniary (non-economic) loss Payment for loss or harm that is not assessable in money. Where personal injury occurs, compensation may be payable for non-pecuniary loss in the form of pain and suffering during serious illness, and also physical defects, disfigurement, or other permanent after-effects.

Study 2, page 15 – The following paragraph has been inserted after the first paragraph:

Legislation has been amended to ensure that the deductible amounts for damages for non-pecuniary loss (pain and suffering) reflect the effects of inflation since 2003. This deductible amount is \$36,905.40, in the case of damages from January 1, 2016 until December 31, 2016. The deductible for non-pecuniary loss for tort awards under the *Family Law Act* is \$18,452.70, in the case of damages from January 1, 2016 until December 31, 2016. These deductible amounts will be adjusted yearly to reflect inflation. The *Insurance Act* was also amended to adjust the monetary thresholds beyond which the tort deductible does not apply to reflect inflation since 2003, and link the monetary thresholds to future changes in inflation. The threshold amounts will also be adjusted yearly. Insureds can purchase the optional Added Coverage to Offset Tort Deductibles Endorsement (OPCF 48) to offset these potential deductibles.

Study 3, page 5 – The last paragraph in the section under the heading **Non-economic Loss (Pain and Suffering)** was changed to the following:

Note that the word “permanent” was reinserted in the verbal threshold. A legal action for non-economic loss was subject to a per person deductible. The deductible amount could be increased, but not decreased by regulation.

Study 3, page 5 – The section entitled Automobile Insurance Reform (2010) was replaced with the following:

Automobile Insurance Reform 2010

As a result of the five-year review of automobile insurance, new regulations were issued that provided more coverage options for insureds. A new standard policy was introduced for all policies renewing on or after September 1, 2010. It reduced the existing SABS coverage, but gave insureds more options to increase limits and/or add optional coverages under the Accident Benefits section.

Under *Regulation 34/10* the right to sue at-fault third parties was unchanged and was subject to the same threshold definition as under Bill 198. The standard per-person deductible applicable to non-economic losses under the new regulations was increased, but insureds now had the option of reducing this deductible through the new Added Coverage to Reduce Tort Deductibles endorsement (OCPF 48).

Automobile Insurance Reform 2016

Effective June 1, 2016, to help make insurance premiums more affordable, the benefits and coverages included in the standard automobile insurance policy were changed again. Some benefits were reduced and some options for increased coverage were eliminated or changed. These changes continue the trend from 2010, of providing more limited standard Accident Benefits but providing more options for insureds to purchase increased limits or additional benefits to enhance their coverage.

Study 3, page 12 – In the section entitled **Non Earner Benefit**, the margin headings **26 week deductible** and **Age 65** and the paragraphs beside them were deleted.

Study 3, page 12 – The last paragraph in the section under the heading **Non-Earner Benefit** has been changed to the following:

There is a four-week waiting period that must pass before the insured can receive non-earner benefits. After that, the insured can receive benefits for up to two years after the accident. Also, the non-earner benefit is not payable to an insured who is receiving an IRB or caregiver benefit.

Study 6, page 13 – The following paragraph has been added under the heading **Medical, Rehabilitation, and Attendant Care Benefits**:

Under the Ontario Owner's Policy (OAP 1), the medical, rehabilitation, and attendant care benefits are grouped together and have an aggregate total for the amount paid under each. This total amount varies, depending if the injury is categorized as non catastrophic or catastrophic—with a higher limit available to cover catastrophic injuries.

Study 3, page 14 –The margin heading **Maximum amounts payable** and the paragraph beside it were deleted.

Study 3, page 15 – The first two paragraphs on this page above the heading **Limits** were deleted.

Study 3, page 15 – The section under the heading **Limits** was changed to the following:

For non-catastrophic injuries, the standard maximum amount for the combined Medical, Rehabilitation, and Attendant Care Benefit is \$65,000. The standard maximum amount for catastrophic injuries is \$1 million.

For non-catastrophic injuries, the duration of combined Medical, Rehabilitation, and Attendant Care benefit payments is five years. For catastrophic injuries, benefit payments will be made as long as the insured person remains medically eligible.

Table 3—1 Optional increases for Medical, Rehabilitation, and Attendant Care benefit

Type of Injury	Optional Medical, Rehabilitation, and Attendant Care benefit Increases
Catastrophic	Additional \$1 million for catastrophic injuries—bringing the total for catastrophic injuries to \$2 million
Non-catastrophic	Optional benefits to cover up to \$130,000 in expenses
For both catastrophic and non-catastrophic	Option to increase the combined non-catastrophic benefit to \$1 million and the combined catastrophic benefit total to \$2 million—if both options purchased, the total amount for a catastrophic injury will be \$3 million

Study 4, page 8 – The second sentence in the paragraph beside the margin heading **Choice in deductibles** was changed to the following:

The standard Collision deductible is \$500 and Comprehensive is \$500, but the may be reduced or increased.

Study 4, page 8 – **Example 1** has been changed to the following:

1. You have Comprehensive coverage with a deductible of \$500. Your car’s windshield is broken by a falling tree branch. You are responsible for the first \$500 of the cost of the windshield replacement. Any claim less than \$500 will be your responsibility.