

# Important Changes to Auto Insurance in Ontario Coming in 2010

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The Ontario government has recently announced substantial changes to the auto insurance system which are scheduled to take effect in the summer of 2010. These changes will generally reduce the limits of insurance available to persons injured in motor vehicle accidents. The amendments will be of particular concern to members of the health care profession who provide treatment funded by auto insurers.

The most significant reforms include:

- Medical and rehabilitation benefits will be reduced from \$100,000 to \$50,000 for non-catastrophic claims, with increased coverage available for an additional premium.
- Housekeeping and home maintenance expenses and caregiver benefits will be eliminated from the basic policy and made optional for an additional premium. Payment will only be made where expenses are actually incurred.
- Attendant care benefits will be reduced from a maximum of \$72,000 to a maximum of \$36,000 in non-catastrophic cases. Payment will only be made where expenses are actually incurred.
- Assessment costs will be capped at \$2,000 per assessment, as will insurer's examinations.
- Payment for rebuttal examinations will be eliminated.
- The definition of "catastrophic impairment" will be amended to include single limb amputees.

- In-home assessments will be restricted to seriously injured claimants and will only be used to evaluate the need for attendant care services and home modifications.
- Income replacement benefits will be calculated based on 70% of gross income, rather than 80% of net income. The maximum payable will remain at \$400 per week.
- For payment of an optional additional premium, the deductible on general damage awards for pain and suffering will be reduced from \$30,000 per person to \$20,000.
- The \$15,000 deductible for the death of a loved one will be eliminated.

While some of the amendments are positive, we are concerned that these reforms do not reflect the reality that very few people in Ontario actually purchase optional increased accident benefits coverage. In effect, this will result in overall reduced insurance funding for persons injured in motor vehicle accidents, without any reduction in premiums. We are also concerned that weekly income replacement benefits have not been increased from a maximum of \$400 for more than 13 years.

An updated 6th Edition of our "Legal & Insurance Manual" will be available in multiple languages from our website and in print once the changes are in place. For further information, please contact any of our offices at the numbers below.

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