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## Important Changes to Auto Insurance

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### Auto insurance is changing - what you need to do

All owners of vehicles in Ontario must purchase a standard auto insurance policy. Effective June 1, 2016, to help make insurance premiums more affordable, the benefits and coverages you receive in a standard auto insurance policy changed – some were reduced, and some options for increased coverage were eliminated or changed.

When it's time to renew or purchase auto insurance on or after June 1, 2016, the standard auto insurance policy you receive from your insurer or broker will have the new lower benefits - unless you **act quickly and contact your insurance representative** to purchase optional coverages.

FSCO recommends that you do four things to make sure you know what you are getting, and get what you need:

- **Read the "Important Changes to your Policy!"** document that came in your renewal package. See if the changes reduce or eliminate something that was important to you, and if so what you can do about it.
- **Compare the new policy** to your current policy to see what changes have been made. Remember, if you have benefits from your employer or another policy, you may already have some level of coverage for some or all of the changes made. You should consider these benefits as you review your coverage options.
- **Understand your policy.** Call your insurance representative and ask questions, or do some additional reading, to make sure you [understand auto insurance](#) or [what a coverage means](#). Make sure you know what options are available to increase or purchase other benefits, or to reduce premiums by increasing deductibles or taking advantage of discounts.
- **Shop around.** There are many insurance companies competing on price and service in Ontario, and you should make sure that you compare at least three quotes for the same coverages before making a decision. You may purchase a policy through a licensed insurance broker, insurance agent or from a direct writer. There are many ways to [save on auto insurance](#).

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### Standard Auto Insurance Policy

All auto insurance policies will continue to include the following coverages:

- Third Party Liability
- Uninsured Automobile

- Direct Compensation-Property Damage
- Accident Benefits

In addition, if you previously purchased optional benefits check your policy. Depending on the benefit, the amount of that benefit may have changed to reflect amounts available in the new options.

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### Most significant changes

Whether you are buying a new policy or renewing an existing one, you should be aware of the most significant changes to statutory accident benefits:

Benefit	Current Policy	New Policy
<b>Medical and Rehabilitation for non-catastrophic injuries</b>	<b>\$50,000</b>	These benefits have been combined and reduced to <b>\$65,000</b> total
<b>Attendant Care for non-catastrophic injuries</b>	<b>\$36,000</b>	
<b>Medical and Rehabilitation for catastrophic injuries</b>	<b>\$1,000,000</b>	These benefits have been combined and reduced to \$1,000,000 total
<b>Attendant Care for catastrophic injuries</b>	<b>\$1,000,000</b>	

Some important things to remember about these benefits:

- If you have previously chosen to purchase optional benefits to increase these amounts, check your policy – they may have changed to reflect amounts available in new options.
- Medical, Rehabilitation and Attendant Care benefits for minor injuries are fixed at a maximum limit of \$3,500.

The optional benefits available for Medical, Rehabilitation and Attendant Care have also changed:

Current Optional Benefit	Optional Benefit available on or after June 1, 2016
<b>Non-catastrophic injuries</b>	
Medical and Rehabilitation for non-catastrophic injuries <b>\$100,000</b>	\$72,000 and \$100,000 options have been

	eliminated.
Attendant Care for non-catastrophic injuries <b>\$72,000</b>	New: Combined Medical, Rehabilitation and Attendant Care of <b>\$130,000**</b> for non-catastrophic injuries.  If you have previously chosen to purchase these optional benefits check your policy or contact your agent or broker – they may have changed to reflect the amount available in this new option.
<b>Catastrophic injuries</b>	
Not available	New: Combined Medical, Rehabilitation and Attendant Care of <b>\$1,000,000</b> for catastrophic injuries only.

The **\$1,000,000** Medical, Rehabilitation and Attendant Care optional benefit for all injuries (non-catastrophic and catastrophic) remains unchanged. If you have previously chosen to purchase this optional benefit it will appear on your new policy.

The chart below illustrates the overall benefit limits available depending on which optional benefit or combination of optional benefits you purchase, if any:

Options: Medical, Rehabilitation and Attendant Care	Maximum for Non-catastrophic injuries	Maximum for catastrophic injuries
Standard: No options purchased	\$65,000**	\$1 million
\$130,000 combined (non-catastrophic injuries)*	\$130,000**	\$1 million
\$1 million (all injuries)*	\$1 million	\$2 million
\$1 million (catastrophic injuries)	\$65,000**	\$2 million

<b>Combinations:</b>		
\$130,000 combined (non-catastrophic injuries) + \$1 million (catastrophic injuries)	\$130,000**	\$2 million
\$1 million (all injuries) + \$1 million (catastrophic injuries)	\$1 million	\$3 million

\*\$130,000 optional combined (non-catastrophic injuries) and \$1 million optional (all injuries) cannot be purchased together.

\*\* Duration of benefit is five (5) years for adults.

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## Other Optional Benefits

There are many other options available to purchase additional or increased benefits and coverages. The following chart lists some but not all of those and indicates if those options changed on June 1. You can also choose not to increase any benefit or coverage. If you have previously purchased any optional benefits, you should review your renewal documents as they may have changed.

Benefit/Coverage	Current Policy	New Policy	You can choose
<b>Income Replacement benefit</b>	70 per cent of gross income up to \$400 per week.	No change	To increase the weekly limit to \$600, \$800 or \$1,000 per week.
<b>Caregiver benefit</b>	Available only for catastrophic injuries: Up to \$250 per week for the first dependant plus \$50 for each additional dependant.	No change	To make the same amounts available in current policy for catastrophic injuries available for all injuries.
<b>Housekeeping and Home Maintenance expenses</b>	Available only for catastrophic injuries: Up to \$100 per week.	No change	To make the same amounts available in current policy for catastrophic injuries available for all injuries.
<b>Death and Funeral</b>	\$25,000 lump sum to an eligible spouse; \$10,000 lump sum to	No change	\$50,000 lump sum to an eligible spouse; \$20,000 lump sum to

<b>benefits</b>	each dependant; maximum \$6,000 funeral benefits.		each dependant; maximum \$8,000 funeral benefits.
<b>Dependant Care benefit</b>	Not provided	Not provided	To purchase this benefit and add up to \$75 per week for the first dependant and \$25 per week for each additional dependant to a maximum of \$150 per week.
<b>Indexation benefit</b>	Not provided	Not provided	To add an annual adjustment for inflation for many benefits according to the Consumer Price Index for Canada to your policy.
<b>Third Party Liability</b>	\$200,000 minimum for claims as a result of lawsuits against you.	No change	Options exist to increase the minimum amount.
<b>Tort Deductible</b>	\$36,905.40 deductible for court awarded compensation for pain and suffering (Jan 1-Dec 31, 2016).	No change	Reduce deductible by \$10,000 regardless of annual indexation percentage increases.

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## What else is new?

Other key changes include:

<b>Minor Accident</b>	Insurers can no longer use a minor at-fault accident that occurs on or after June 1, 2016 meeting certain criteria to increase your premiums. The criteria include that no payment has been made by any insurer, that there are no injuries, and that damages to each car and property were less than \$2,000 per car and were paid by the at-fault driver. This provision is limited to one minor accident every three years.
<b>Interest Rate for Monthly Payment Plans</b>	The maximum interest rate that insurers can charge if you make monthly premium payments has been lowered from 3% to 1.3% for one year policies, with corresponding reductions for shorter terms.
<b>Comprehensive Deductible</b>	The standard deductible for Comprehensive coverage has been increased from \$300 to \$500.

The six-month waiting period for people who are not working to receive benefits has been reduced to four weeks. Conversely,

**Non-Earner benefit**

benefits can now only be received for up to two years after the accident.

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**Duration of Medical, Rehabilitation and Attendant Care benefits**

For all claimants except children, the amount of time that you can receive this standard benefit is now five years for non-catastrophic injuries, and it will be paid only as long as you remain medically eligible.

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