

Changes in Auto Insurance

Most of the general purchasers of auto insurance do not have a broad grasp of the extent of coverage's afforded by the auto policy. Collision is a fairly straight forward coverage to comprehend, however delve into the abyss of accident benefits coverage and there is certainly nothing elementary about this faucet of coverage. It is complex in nature – period.

Proposed changes are forthcoming to the Ontario automobile legislation as it relates to accident benefits entitlement. The exact date of implementing these changes has not yet been released however in appearance it is deemed to be targeted for mid 2010. There are benefits to the changes and major pitfalls.

The good news is there will be no proposed changes to the accident benefit limits offered in catastrophic impairment cases. However where injuries are deemed “non catastrophic” there are significant changes to the current format. For example, housekeeping benefits are proposed to be eliminated along with caregiver benefits. Attendant care benefits in “non cat” losses are reduced by half the current available limits and the medical and rehabilitation benefits are also being reduced by the same percentage.

The current auto regime in Ontario dedicates a vanishing \$15,000 statutory deductible to fatality claims against at fault drivers. The proposed amendments eliminate this threshold.

Other parts of the proposed draft deals a multitude of other areas within the accident benefit coverage. Another example of the changes will incorporate how some costs are currently paid outside the limits available and in the future they will be deducted *from* the available coverage. There will be expanded definitions for catastrophic impairment as well as new caps on limits for treatment in non catastrophic claims. There is a reduction on the interest rate imposed for penalties inflicted on Insurers for late payment of benefits. There will be ceilings on payments for minor injury claims. An option will also exist for the consumer to reduce the statutory tort deductible currently in force from \$20,000 down to \$10,000.

These are simply some of the proposed draft changes. I urge those concerned to visit the FSCO website and read as many articles on the proposed changes as possible.

Similar to “cheap” auto insurance, all is good as long as a claim doesn't happen.

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