

## **Auto 101**

### **Ontario Automobile 101**

Ontario motorists have the following basic coverages: Liability, Accident Benefits, Uninsured Automobile, and Direct Compensation Property Damage. You may also purchase additional insurance for Loss or Damage to the automobile and Optional Increased Accident Benefits. This is a brief explanation of the insurance coverages available to you. For complete details consult your policy. Your Insurer will supply you with a copy of the policy if you request it.

#### ***LIABILITY***

Provides coverage for you or other insured persons if someone else is killed or injured or their property is damaged in an automobile incident. It will pay for legitimate claims against you or other insured persons up to the limit of your coverage, and the cost of settling claims.

#### ***ACCIDENT BENEFITS***

Provides benefits that you and other insured persons are entitled to receive if injured or killed in an automobile accident. These benefits include: income replacement for persons who have lost income; payment to non-earners who suffer complete inability to carry on a normal life; payment of care expenses to persons who cannot continue to act as a primary caregiver for a member of their household; payment of medical, rehabilitation, and attendant care expenses; payment of certain other expenses; payment of funeral expenses; and payment to survivors of a person who is killed. You may also purchase optional benefits to increase the basic level of benefits provided in your policy. The optional benefits your insurance company must offer are:

**Increased Income Replacement >>** The basic level of income replacement provided in the policy (\$400/week maximum) can be increased by purchasing optional coverage so that the weekly limit is up to \$600, \$800, or \$1,000. All income replacement benefits are based on 80% of your net weekly income.

**Increased Caregiver and Dependant Care >>** The basic level of caregiver benefits for care expenses of persons who are not employed but care for dependants (up to \$250/week for the first person needing care, and \$50/week for every additional person) can be increased by purchasing optional coverage so that the weekly limit is up to \$325 for the first person and \$75 for additional persons. There is no basic benefit for persons who are employed and care for dependants, but if you purchase this optional coverage you can receive a benefit to cover additional weekly dependant care expenses of \$75 for the first dependant and \$25 for each additional dependant, up to \$150 per week.

**Increased Medical, Rehabilitation and Attendant Care >>** The basic benefit pays up to \$100,000 for medical and rehabilitation expenses, with a 10 year time limit in most cases, and up to \$72,000 for attendant care expenses. If catastrophically impaired, the basic benefit pays up to \$1,000,000 for medical and rehabilitation expenses and up to \$1,000,000 for attendant care expenses. You can purchase optional coverage of \$1,000,000 above the basic coverage, and that provides no limitation on the time for which these expenses are paid.

**Increased Death and Funeral >>** The basic level of death benefits paid to the surviving spouse and dependant of a person who is killed (\$25,000 to surviving spouse; \$10,000 to surviving dependant) can be doubled by purchasing this optional coverage. This coverage also increases the basic funeral expense benefit from \$6,000 to \$8,000.

**Indexation Benefit >>** This optional coverage will ensure that certain weekly benefit payments and monetary limits will increase on an annual basis to reflect changes in the cost of living.

### ***UNINSURED AUTOMOBILE***

Provides coverage if you or other insured persons are injured or killed by an uninsured motorist or by a hit-and-run driver. It covers damage to your automobile and its contents caused by an identified, uninsured motorist, subject to a deductible.

### ***DIRECT COMPENSATION – PROPERTY DAMAGE***

Provides coverage in Ontario, under certain conditions, for damage to your automobile and to property it is carrying, when another motorist is responsible. It is called Direct Compensation because you will collect from us, your insurance company, even though you are not at fault for the accident. There may be a deductible amount, and this amount is either paid by you toward the cost of repairs or is deducted from the loss settlement. Higher deductibles may reduce your premium.

### ***LOSS OR DAMAGE***

Provides a selection of optional coverages for your own automobile. Payments cover direct and accidental loss of, or damage to, a described automobile and its equipment. There is usually a deductible amount indicated for each coverage and this amount is either paid by you toward the cost of repairs or is deducted from the loss settlement. Higher deductibles may reduce your premium. There are four types of coverages:

**Specified Perils >>** Covers the described automobile against loss or damage caused by certain specific perils. They are fire, theft or attempted theft, lightning, windstorm, hail or rising water, earthquake, explosion, riot or civil disturbance, falling or forced landing of aircraft or parts of aircraft; or the stranding, sinking, burning, derailment, or collision of any kind of transport in, or upon which, the described automobile is being transported.

**Comprehensive >>** Covers the described automobile against the loss or damage other than those covered by Collision or Upset, including perils listed under Specified Perils, falling or flying objects, missiles and vandalism.

**Collision or Upset >>** Covers damage when a described automobile is involved in a collision with another object or tips over.

**All Perils >>** Combines the Collision or Upset and Comprehensive coverages.