

# SETTLEMENT DISCLOSURE NOTICE

## Final Settlement of a Statutory Accident Benefits Claim (For accidents on or after November 1, 1996)

### Notice and Caution

Your insurer is required to give you this **Settlement Disclosure Notice** if you have both agreed on a cash settlement that will permanently end your entitlement to one or more accident benefits. This **Settlement Disclosure Notice** must be completed and signed by your insurer. Your insurer will probably also give you a Release to sign.

- You cannot enter into a cash settlement within a year from the date of the accident, with some exceptions.\*
- You should consider seeking independent legal, financial, and medical advice before you enter into the settlement.
- For a settlement to be binding, you must sign **both** this settlement disclosure notice and a release. If you sign this settlement disclosure notice and a release, you will be giving up rights you may have now or in future, even if your condition changes.
- If you choose not to sign, your benefits will not be affected or reduced.
- If you do sign this settlement disclosure notice and a release, either on the same day or different days, **you have 2 business days from the day of the last document you signed** (either this settlement disclosure notice or a release) **to change your mind and rescind the settlement**. To do so you must deliver a written notice to the office of the insurer or its representative and return any money you received as consideration for the settlement.
- You have the right to seek any medical information relating to your claim in your insurer's file and to obtain a copy at the insurer's expense. If you want to see this information ask your insurer for a copy.

**Read this entire document carefully**

\*For disputes commenced and not completed on or before March 31, 2016 you may enter into a cash settlement within a year from the date of the accident if within the same period you brought a lawsuit and commenced discovery; or you referred the dispute to an arbitrator at the Financial Services Commission of Ontario (FSCO) and completed a pre-hearing conference; or you and your insurer agreed to a private arbitration and entered into an arbitration agreement.

Effective April 1, 2016, an individual who wishes to dispute a denial by an insurance company for statutory accident benefits must proceed through the Ministry of the Attorney General's Licence Appeal Tribunal (LAT) and not the FSCO. You may enter into a cash settlement: 1) on or after the first anniversary date of the accident; or 2) if you have applied to the LAT, on or after the date a case conference was held.

## Insurer's Offer to Settle Benefits

**Offer to settle income replacement benefits**

You have been offered \$ \_\_\_\_\_ for all past and future income replacement benefits.

**Offer to settle non-earner benefits**

You have been offered \$ \_\_\_\_\_ for all past and future non-earner benefits.

**Offer to settle caregiver benefits**

You have been offered \$ \_\_\_\_\_ for all past and future caregiver benefits.

**Offer to settle medical benefits**

You have been offered \$ \_\_\_\_\_ for all past and future medical benefits.

**Offer to settle rehabilitation benefits**

You have been offered \$ \_\_\_\_\_ for all past and future rehabilitation benefits.

**Offer to settle attendant care benefits**

You have been offered \$ \_\_\_\_\_ for all past and future attendant care benefits.

**Offer to settle death and funeral benefits**

You have been offered \$ \_\_\_\_\_ for all past and future death benefits and funeral benefits.

**Offer to settle benefits for payment of other expenses (specify)**

\_\_\_\_\_

You have been offered \$ \_\_\_\_\_ for all past and future benefits for other expenses.

**Offer to settle any other items (specify)**

\_\_\_\_\_

You have been offered \$ \_\_\_\_\_ for other items.

**Total Offer \$** \_\_\_\_\_

**Provide any other details:**

- This offer includes all expenses incurred for goods and services as previously approved.
- This offer does not include all expenses incurred for goods and services as previously approved.

## What does it mean if you settle your claim?

There are a number of consequences of this settlement if you sign this Settlement Disclosure Notice and a Release.

- You are finally and permanently settling your claim for the benefits specified. You are forever giving up the right to claim such benefits in the future, even if your medical problems get worse.
- You are permanently giving up your right under the Insurance Act to dispute, litigate, appeal, apply to vary, or to proceed to judicial review by a court, concerning the benefits which are the subject of the settlement.
- The tax implications of the settlement may be different than the tax implications of the benefits described. In general, any investment income earned on the cash amount of the settlement may be subject to tax.

### Example

If you are entitled to receive weekly income benefits, and agree to settle your claim for \$20,000.00 which you then invest, any interest income you receive will likely be taxable. If you choose to receive weekly income benefits instead of a settlement, your weekly benefits will probably not be taxable.

**You are advised to consider seeking independent legal, financial and medical advice before entering into any settlement. It is especially important to seek advice if your impairment is “catastrophic”.\***

#### **\*What is a “catastrophic impairment”?**

The exact definition of “catastrophic impairment” depends on the date of your accident.

The definition of “catastrophic impairment” is one that results in but may not be limited to: paraplegia, quadriplegia or tetraplegia, certain amputation or other impairments causing total and permanent loss of use of one or more arm(s) or leg(s), loss of vision in both eyes, certain brain injuries, significant or extreme mental and behavioural disorders, or certain other combinations of impairments that result in 55% or more impairment of the whole person. A determination must be made by medical experts.

If you feel your injuries may be catastrophic, you should contact your medical and legal advisors. **If your impairment is catastrophic, the amount of benefits available to you changes significantly (see “Description of Benefits”).**

## Description of Benefits

- ❑ This policy includes optional benefits. For further details, please speak with your agent/broker.

The details of the benefits and your rights and responsibilities are in the Statutory Accident Benefits Schedule of the Insurance Act (Ontario). Your insurer is obligated to give you information about the benefits available. The benefit limits under your policy are those in effect at the time of the accident.

The benefits provided under the Statutory Accident Benefits Schedule are complex and extensive. A short description of these benefits is provided below.

### **Income Replacement Benefit**

This benefit compensates for lost income if you are unable to perform the essential tasks of the job you did before the accident. For accidents that occur before September 1, 2010, the benefit is 80% of your net income before the accident. If you were self-employed, 80% of your weekly loss from self-employment that you incur as a result of the accident will also be added.

For accidents on or after September 1, 2010, the benefit is 70% of your gross income before the accident. If you were self-employed, 70% of your weekly loss from self-employment that you incur as a result of the accident may also be added.

The maximum benefit is \$400 per week. If you have purchased optional income replacement benefits this amount will be increased.

### **Non-Earner Benefit**

For policies issued on or after November 1, 1996 to May 31, 2016 and in effect at the time of the accident, this benefit compensates you if you suffered a complete inability to carry on a normal life, and do not qualify for an income replacement benefit or have not elected a caregiver benefit. The benefit is \$185 per week, but may be \$320 per week if you were a student or recent graduate, less the total of all other income replacement assistance, if any, for the same week. The benefit begins 26 weeks after you suffer a complete inability to carry on a normal life. This benefit is available if you are 16 years of age or older.

For policies issued on or after June 1, 2016, this benefit compensates you if you suffered a complete inability to carry on a normal life, and do not qualify for an income replacement benefit or have not elected a caregiver benefit. The benefit is not payable for the first four weeks after the onset of the disability and for more than 104 weeks following an accident. The benefit is \$185 per week less the total of all other income replacement assistance, if any, for the same week. This benefit is not payable to you if you are under 18 years of age.

### **Caregiver Benefit,**

This benefit compensates you for expenses incurred if you cannot continue as the main caregiver for a person in your household such as child under age 16 or other person who needs care. The benefit pays expenses up to \$250 per week, but if you provide care for more than one person, the limit is increased by \$50 for each additional person. The benefit is payable if as a result of and within 104 weeks after the accident, you suffer a substantial inability to engage in the caregiving activities in which you engaged in at the time of the accident even if the impairment sustained is not a catastrophic impairment. After 104 weeks of disability, to qualify for the caregiver benefit, you must suffer a complete inability to carry on a normal life. If your accident occurred on or after September 1, 2010, this benefit is available only if you have suffered catastrophic injuries as a result of your accident and cannot continue as the main caregiver for a member of the household who is in need of care or if you have purchased the optional caregiver benefit.

## Description of Benefits (continued)

### **Medical, Rehabilitation and Attendant Care Benefit**

For accidents that occur before September 1, 2010, the maximum amount paid for medical and rehabilitation expenses combined is \$100,000, with a 10 year time limit, and \$72,000 for attendant care expenses with a two year time limit. If your impairment is catastrophic, the maximum amount is \$1,000,000 for medical and rehabilitation expenses, and \$1,000,000 for attendant care expenses, with no time limits.

For policies issued on or after September 1, 2010 to May 31, 2016 and in effect at the time of the accident, the maximum amount paid for medical and rehabilitation expenses combined for non-catastrophic claims is \$50,000, with a 10 year time limit, and \$36,000 for attendant care expenses with a two year time limit. If your impairment is catastrophic, the maximum amount is \$1,000,000 for medical, rehabilitation expenses and \$1,000,000 for attendant care expenses, with no time limits. If you have purchased optional benefits these amounts may be increased.

For policies issued on or after June 1, 2016, the standard benefit pays up to \$65,000 for medical, rehabilitation and attendant care expenses, combined with a five year time limit in most cases. If catastrophically impaired, the standard benefit pays up to \$1,000,000 for medical, rehabilitation and attendant care expenses. Your medical, rehabilitation and attendant care limits are increased if you have purchased the optional coverage of \$130,000 or \$1,000,000. In addition, if the optional catastrophic impairment benefit is also purchased an additional \$1 million is available.

These are expenses that are not covered by any other medical plan.

### **Case Manager Services**

This benefit compensates for expenses for services provided by a case manager in catastrophic injury claims or, for accidents that occurred on or after October 1, 2003, if you have purchased the optional medical, rehabilitation and attendant care benefit.

### **Payment of Other Expenses**

If you or other insured persons have been injured, this benefit may pay for some other expenses such as the cost of visiting an insured person during treatment or recovery, the repair or replacement of some items lost or damaged in the accident and some lost educational expenses. It may also pay for some housekeeping and home maintenance if the insured person sustains a catastrophic impairment.

### **Death Benefit**

This benefit pays family members of a person killed in an automobile accident. \$25,000 is paid to a surviving spouse, \$10,000 to each surviving dependant, and a total of \$10,000 to a person in respect of whom the deceased was a dependant. If you have purchased optional benefits this amount may be increased.

### **Funeral Benefit**

This benefit pays up to \$6,000 to cover funeral expenses. If you have purchased optional benefits this amount may be increased.

## Description of Benefits (continued)

### Optional Benefits

Optional benefits increase the amount of standard benefits or provide benefits that may not otherwise be payable. They must be purchased before the accident. For accidents that occur before September 1, 2010, the optional benefits are: increased income replacement; increased caregiver and dependant care benefits; increased medical, rehabilitation and attendant care benefit; increased death and funeral benefits, and an indexation benefit.

For policies issued on or after September 1, 2010 to May 31, 2016 and in effect at the time of the accident, the optional benefits are: increased income replacement; caregiver, housekeeping and home maintenance benefits for non-catastrophic claims; increased medical, rehabilitation and attendant care benefit; increased death and funeral benefits, a dependant care benefit and an indexation benefit.

For policies issued on or after June 1, 2016, the optional benefits are: increased income replacement; medical, rehabilitation and attendant care; optional catastrophic impairment; caregiver, housekeeping and home maintenance benefits for non-catastrophic claims; increased death and funeral benefits; a dependant care benefit and an indexation benefit.

**For more information on your benefits or coverages call your insurance representative.**

## Insurer's Disclosure and Acknowledgment

Name of Insurer:

Policy Number:

Claim Number:

Date of Loss:

The insurer acknowledges that it has made available for review by the insured person or the insured person's representative all medical reports, medical records and other information of a medical nature in the insurer's file relating to the insured person.

I certify the information provided in this Settlement Disclosure Notice is complete and correct.

\_\_\_\_\_  
Signature of Insurer or Authorized  
Representative of Insurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Representative of Insurer (print name)

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
Name of Insurer's Complaint Officer\*

\_\_\_\_\_  
Telephone number

\* If you have a complaint about your claim, you may contact your insurer's Complaint officer who will review and attempt to resolve it with you.

### If you change your mind and want to rescind this settlement Read carefully

This agreement to settle is only binding if you have signed this settlement disclosure notice and a release, either on the same day or different days. If, after both documents have been signed and you change your mind and want to rescind this settlement you must:

**Deliver a notice in writing to the office of the insurer or its representative and return any money you received as consideration for the settlement within 2 business days from the day of the last document you signed (either this settlement disclosure notice or the release).**

**For Example:**

If you signed this settlement disclosure notice and a release at the same time or on the same day, you have 2 business days from that day to deliver a notice in writing to the office of the insurer or its representative and return any money you received as consideration for the settlement.

If you signed a release first and later signed this settlement disclosure notice, you have 2 business days from the day that you signed this settlement disclosure notice to deliver a notice in writing to the office of the insurer or its representative and return any money you received as consideration for the settlement.

If you signed this settlement disclosure notice first and later signed a release, you have 2 business days from the day that you signed the release to deliver a notice in writing to the office of the insurer or its representative and return any money you received as consideration for the settlement.

## Insured's Acknowledgment

I acknowledge that I have received and read the above Settlement Disclosure Notice provided to me by an insurer, and have considered whether or not to obtain independent legal, financial and medical advice.

\_\_\_\_\_  
Name of Insured (Print)

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Date