

## NEW INDEXED AUTO INSURANCE DEDUCTIBLES

The reforms to the automobile insurance legislation announced with the 2015 Ontario Budget have begun to be implemented by the government.

*Ontario Regulation 664* requires all insurers to offer an insurance premium discount to policyholders using winter tires. This applies to all policies and renewals after January 1, 2016.

*Ontario Regulation 461/96* has been amended to increase the statutory deductibles and the statutory threshold figure above which the deductibles vanish. The amendment to the Regulation effective August 1, 2015, also requires these deductibles to be revised on January 1<sup>st</sup> each year, with the indexation percentage published under the *Insurance Act* (subsection 268.1) for that year. The following chart outlines the changes:

CATEGORY	OLD AMOUNT	NEW AMOUNT (effective Aug. 1, 2015)
Main Claimant Non-Pecuniary Damages	\$30,000 deductible	\$36,450 Deductible
Family Law Act Claimant	\$15,000 deductible	\$18,270 Deductible
Monetary Threshold beyond which the deductible does not apply for main claimant's non-pecuniary damages	\$100,000.00	\$121,799
Monetary Threshold beyond which the deductible does not apply for Family Law Act claimant's non-pecuniary loss	\$50,000.00	\$60,899

Prepared by: Leonard Kunka, Partner

(July 31, 2015)