

**ONTARIO APPLICATION FOR AUTOMOBILE INSURANCE
GARAGE FORM (O.A.F. 4)
INSURANCE COVERAGES APPLIED FOR**

ONTARIO MOTORISTS MUST HAVE THE FOLLOWING BASIC COVERAGES:

THIRD PARTY LIABILITY, ACCIDENT BENEFITS, UNINSURED AUTOMOBILE COVERAGE AND DIRECT COMPENSATION - PROPERTY DAMAGE.

Additional insurance may be purchased for Loss or Damage to Owned Automobiles, Loss or Damage to Customers' Automobiles and Optional Increased Accident Benefits.

This is a brief explanation of the insurance coverages available. For complete details, consult the policy. The Insurer will supply a copy of the policy if requested.

PLEASE NOTE CERTAIN TYPES AND USES OF AUTOMOBILES ARE EXCLUDED FROM COVERAGE.

THIRD PARTY LIABILITY

Provides coverage for the named Insured 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 insured persons up to the limit of your coverage, and the cost of settling claims.

ACCIDENT BENEFITS

THE INSURANCE COMPANY IS OBLIGATED TO EXPLAIN DETAILS OF ACCIDENT BENEFITS COVERAGE.

Provides benefits that 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; payments 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 payments to survivors of a person who is killed. The Insured may also purchase optional benefits to increase the basic level of benefits provided in the policy. The optional benefits insurance companies must offer are:

Increased Income Replacement - the basic level of income replacement provided in the policy (\$400 per 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 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 per week for the first person needing care, and \$50 per 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 this optional coverage is purchased, 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 is available.

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. An optional coverage of \$1,000,000 above the basic coverage may be purchased, 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 or same-sex partner and dependant of a person who is killed (\$25,000 to a surviving spouse or same-sex partner; \$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 COVERAGE

Provides coverage if insured persons are injured or killed by an uninsured motorist or by a hit-and-run driver. It covers damage to an automobile owned by the Insured, 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 an automobile owned by the Insured and to property it is carrying, when another motorist is responsible. It is called Direct Compensation because the Insured will collect from the Insurer, even though the Insured is not at fault for the accident. Coverage may also apply to a "customer's" or "non-owned" automobile and to property it is carrying – under some conditions. There may be a deductible amount, and this amount is either paid by the Insured towards the cost of repairs or is deducted from the loss settlement. Higher deductibles may reduce the premium.

LOSS OF OR DAMAGE TO OWNED AUTOMOBILES

Provides a selection of optional coverages for specified automobiles owned by the Insured. Payments cover direct and accidental loss of, or damage to, automobiles owned by the Insured and their equipment. If you are insured for "Loss of or Damage to Owned Automobiles", there is a \$1500 limit on non-factory installed electronic accessories and equipment.

Collision or Upset: Covers owned automobiles when involved in a collision with another object or tips over.

Comprehensive: Covers owned automobiles against loss or damage other than those covered by Collision or Upset, including falling or flying objects, missiles and vandalism in addition to the perils listed under Specified Perils. Coverage excludes theft from an open lot, except theft of the entire automobile.

Specified Perils: Covers owned automobiles 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, collision or upset of any railway car or watercraft in, or upon which the owned automobile is being transported. Coverage excludes theft from an open lot except theft of the entire automobile.

LIABILITY FOR DAMAGE TO A CUSTOMER'S AUTOMOBILE

Provides a selection of optional coverages for the Insured's legal liability for damage to customers' automobiles **while in the Insured's care, custody or control**. There is usually a deductible amount indicated for each coverage and this amount is either paid by the Insured toward the cost of repairs or is deducted from the loss settlement.

Collision or Upset: Covers the Insured's legal liability for damage to a customer's automobile when it is involved in a collision with another object or tips over.

Specified Perils: Covers the Insured's legal liability for loss of or damage to a customer's automobile caused by certain specific perils. They are: fire; theft or attempted theft; vandalism; lightning, windstorm, hail, rising water; earthquake; explosion; riot or civil disturbance; falling or forced landing of aircraft or parts of aircraft; the stranding, sinking, burning, derailment, or collision or upset of any railway car or watercraft in, or upon which the automobile is being transported.

Warning: The *Insurance Act* provides that where (a) an Applicant for a contract, (i) gives false particular of the described automobile to be insured to the prejudice of the Insurer, or (ii) knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the Insured contravenes a term of the contract or commits a fraud; or (c) the Insured willfully makes a false statement in respect of a claim under the contract, a claim by the Insured, for other than such statutory accident benefits as are set out in the Statutory Accident Benefits Schedule, is invalid and the right of the Insured to recover indemnity is forfeited.

Warning – Offences

It is an offence under the *Insurance Act* to knowingly make a false or misleading statement or representation to an Insurer in connection with the person's entitlement to a benefit under a contract of insurance, or to willfully fail to inform the Insurer of a material change in circumstances within 14 days, in connection with such entitlement. The offence is punishable on conviction by a maximum fine of \$100,000 for the first offence and a maximum fine of \$200,000 for any subsequent conviction.

It is an offence under the federal *Criminal Code* for anyone to knowingly make or use a false document with the intent it be acted on as genuine and the offence is punishable, on conviction, by a maximum of 10 years imprisonment.

It is an offence under the federal *Criminal Code* for anyone, by deceit, falsehood or other dishonest act, to defraud or to attempt to defraud an insurance company. The offence is punishable, on conviction, by a maximum of 10 years imprisonment for cases involving an amount over \$5,000 or otherwise a maximum of 2 years imprisonment.