

# 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 LEGAL, FINANCIAL AND MEDICAL ADVICE BEFORE YOU SIGN 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 NOTICE AND A RELEASE YOU HAVE 2 BUSINESS DAYS TO CHANGE YOUR MIND.**
- **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.**

**PLEASE READ THIS ENTIRE DOCUMENT CAREFULLY**

\*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 and completed a pre-hearing conference; or you and your insurer agreed to a private arbitration and entered into an arbitration agreement.

**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 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 mediate, litigate, arbitrate, 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 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.

"catastrophic impairment" includes: paraplegia or quadriplegia, certain amputation or other impairments causing total and permanent loss of use of one or more arm(s) or leg(s), total loss of vision, certain brain injuries, significant or extreme mental and behavioural disorders, and 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 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 will 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**

This benefit compensates you if you are completely unable to carry on a normal life, and do not qualify for an Income Replacement Benefit or Caregiver Benefit. The benefit is \$185 per week, but may be \$320 per week if you were a student or recent graduate. The benefit begins twenty-six weeks after you become completely unable to carry on a normal life.

### **Caregiver Benefits**

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. If your accident occurred before September 1, 2010, 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. 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 or if you have purchased optional caregiver benefits.

### **Medical Benefit**

This benefit pays for medical expenses incurred as a result of your injuries. These are expenses that are not covered by any other medical plan, such as the Ontario Health Plan, or any medical plans at the workplace.

### **Rehabilitation Benefit**

This benefit pays for some rehabilitation expenses incurred as a result of your injuries. These are expenses that are not covered by any other plan.

### **Attendant Care Benefit**

This benefit compensates for the expense of an aide or attendant or services provided by a long-term care facility.

## **DESCRIPTION OF BENEFITS** (continued)

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

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 benefits 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 accidents that occur on or after September 1, 2010, 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 benefits 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.

### **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**

This benefit pays for some other expenses such as the expenses of family members in visiting you during treatment or recovery. It also pays for some housekeeping and home maintenance expenses; the repair or replacement of items lost or damaged in the accident such as clothing, prescription eyewear, dentures, hearing aids, prostheses and medical or dental devices; and lost educational expenses. For accidents that occur on or after September 1, 2010, this benefit is only available for catastrophic injury claims or if you have purchased the optional benefit

### **Death Benefits**

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 Expenses**

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

### **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 Dependent care benefits; increased Medical, Rehabilitation and Attendant Care; increased Death and Funeral benefits, and an Indexation Benefit.

For accidents that occur on or after September 1, 2010, the optional benefits are: increased Income Replacement; Caregiver, Housekeeping and Home Maintenance benefits for non-catastrophic claims; increased Medical and Rehabilitation benefits; increased Attendant Care; increased Medical, Rehabilitation and Attendant Care benefit; increased Death and Funeral benefits, a Dependant Care benefit and an Indexation Benefit. **You should consult your insurer and your advisors to determine if you are covered by Optional Benefits.**

## INSURER'S DISCLOSURE AND ACKNOWLEDGMENT

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 Notice is complete and correct.

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

\_\_\_\_\_  
Date

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

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.

## 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 legal, financial and medical advice.

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

\_\_\_\_\_  
Date

### IF YOU CHANGE YOUR MIND

IF YOU CHANGE YOUR MIND AFTER AGREEING TO SETTLE YOUR CLAIM BY SIGNING A RELEASE, YOU MUST:

NOTIFY THE INSURER IN WRITING AND RETURN ANY SETTLEMENT FUNDS YOU RECEIVED WITHIN 2 BUSINESS DAYS AFTER YOU SIGNED THE RELEASE

IF YOU SIGNED A RELEASE AND LATER SIGNED THIS DISCLOSURE NOTICE, YOU HAVE 2 BUSINESS DAYS FROM WHEN YOU SIGNED THE DISCLOSURE NOTICE IN WHICH TO NOTIFY THE INSURER AND RETURN ANY SETTLEMENT FUNDS YOU RECEIVED.