

SETTLEMENT DISCLOSURE NOTICE

Final Settlement of a Statutory Accident Benefits Claim Bill 59 (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.¹**
- **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

¹ 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:

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"?

"Catastrophic impairment" includes: paraplegia or quadriplegia, amputation or other impairment causing total and permanent loss of use of both arms or total and permanent loss of both an arm and leg or both legs, 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 medical, rehabilitation and attendant care benefits available to you changes significantly (see "Description of Benefits").**

DESCRIPTION OF BENEFITS

THE DETAILS OF THE BENEFITS AND YOUR RIGHTS AND RESPONSIBILITIES ARE IN THE *STATUTORY ACCIDENT BENEFITS SCHEDULE* OF THE *INSURANCE ACT* (ONTARIO). YOUR INSURANCE COMPANY 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 Benefits

This benefit compensates for lost income if you are unable to perform the essential tasks of the job you did before the accident. The benefit is 80% of your net income before the accident. The maximum benefit is \$400 per week. However, if you are covered by optional weekly income replacement benefits, the maximum benefit may be \$600, \$800, or \$1,000 per week.

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. 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 you are covered by optional caregiver benefits, the benefit pays expenses up to \$325 per week and \$75 per week for each additional person.

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.

DESCRIPTION OF BENEFITS (continued)

Attendant Care Benefit

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

Maximum Medical, Rehabilitation and Attendant Care Benefits

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. If you are covered by optional medical, rehabilitation and attendant care benefits, an additional \$1,000,000 above the basic benefits is available.

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; 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. This benefit also covers the reasonable cost of examinations obtained for the purposes of the *Statutory Accident Benefits Schedule*.

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. The amounts are doubled if you are covered by optional benefits.

Funeral Expenses

This benefit pays up to \$6,000 to cover funeral expenses. The maximum amount is \$8,000 if you are covered by optional benefits.

Optional Benefits

Optional benefits increase the amount of basic benefits. They must be purchased before the accident. The optional benefits are: Increased Income Replacement; Increased Caregiver and Dependant Care; Increased Medical, Rehabilitation and Attendant Care; Increased Death and Funeral, and Optional 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.

Representative of insurer _____ Telephone number _____

Name of Insurance Company Ombudsman Liaison Officer* _____

Telephone number _____

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

Date _____

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.