

SETTLEMENT DISCLOSURE NOTICE

Final Settlement of a Statutory Accident Benefits Claim Bill 164

(For accidents between January 1, 1994 and October 31, 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 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 SEE 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

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 EDUCATION DISABILITY BENEFITS

You have been offered \$ _____ for all past and future weekly education disability benefits if no income.

You have been offered \$ _____ for all past and future lump sum education disability benefits.

OFFER TO SETTLE CAREGIVER BENEFITS

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

OFFER TO SETTLE OTHER DISABILITY BENEFITS

You have been offered \$ _____ for all past and future other disability benefits.

OFFER TO SETTLE LOSS OF EARNING CAPACITY BENEFITS

You have been offered \$ _____ for all past and future loss of earning capacity benefits.

OFFER TO SETTLE SUPPLEMENTARY MEDICAL BENEFITS

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

OFFER TO SETTLE REHABILITATION BENEFITS

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

OFFER TO SETTLE ATTENDENT CARE BENEFITS

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

OFFER TO SETTLE DEATH BENEFITS

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

OFFER TO SETTLE FUNERAL BENEFITS

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

OFFER TO SETTLE BENEFITS FOR OTHER PECUNIARY LOSSES
(specify) _____

You have been offered \$_____ for all past and future benefits for compensation for other pecuniary losses.

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.

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 you for lost income if you are unable to perform the essential tasks of the job you did before the accident. You may qualify if you were employed or self employed at any point in the previous 3 years before the accident, were on strike, locked out, on lay-off, parental or pregnancy leave, or had a contract to start work within one year. The benefit is 90% of your net income before the accident and is indexed yearly for inflation. The maximum benefit will depend on the year of the accident and duration of your disability. There is a minimum benefit of \$185 per week, unindexed.

Education Disability Benefits

Weekly Benefit: This weekly benefit is payable after age 16 if you are a full time student and unable to continue your education, or are unable to carry on a normal life. The amount of weekly education disability benefits is 50% of net Ontario Average Weekly Earnings, and the benefit is indexed yearly.

Lump Sum Benefit: This benefit provides a lump sum payment for each year of school missed, if you are unable to attend or successfully complete one or more school years, or one or more semesters of school that is organized on a semester basis. The maximum lump sum payable is indexed yearly.

Caregiver Benefits

This benefit compensates you if you are the main caregiver for a person in your household such as a child under age 16 or other person who needs care, and you are unable to perform your usual caregiving activities or you suffer a partial or complete inability to lead a normal life. The maximum amount of caregiver benefits is indexed yearly.

Other Disability Benefits

This benefits compensates you if you suffer a partial or complete inability to lead a normal life and you do not qualify for any other weekly benefits. The benefit is \$185 per week, unindexed.

DESCRIPTION OF BENEFITS (continued)

Loss of Earning Capacity Benefits

This long term benefit compensates you if you continue to qualify for weekly benefits more than 104 weeks after you first became disabled. It replaces income replacement benefits, weekly caregiver benefits, weekly education benefits, or other disability benefits, and is based on the difference between pre-accident and post-accident earning capacity.

Supplementary Medical Benefits

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 Benefits

This benefit pays for rehabilitation 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.

Maximum Supplementary Medical and Rehabilitation Benefits

There is a lifetime maximum limit of \$1,000,000 for supplementary medical and rehabilitation benefits combined. This limit is indexed yearly. The maximum benefit will depend on the year of the accident.

Attendant Care Benefits

This benefit compensates for the expense of an aide or attendant, or services provided by a long-term care facility. There is a monthly limit of \$3,000 and no lifetime limit. For certain injuries, the monthly limit may be \$6,000 or \$10,000 per month. These limits are indexed yearly.

Death Benefits

This benefit pays family members of a person killed in an automobile accident. The maximum amount of the benefit paid to a surviving spouse is based on the income of the deceased person according to a formula: $187.2 \times$ the net weekly income of the deceased. A lump sum is also paid to any dependant of the deceased. If the deceased was a dependant of someone else, such as a parent or other caregiver, a lump sum is paid to that person.

Funeral Expenses

This benefit pays funeral expenses for a person killed in an automobile accident. The maximum amount of the benefit is indexed yearly.

Compensation for Other Pecuniary Losses

This benefit pays for some other expenses such as the expenses of family members in visiting you during treatment or recovery. It also pays additional dependent care expenses for persons receiving income replacement benefits; some housekeeping and home maintenance; and the repair or replacement of items lost or damaged in the accident such as clothing, personal items, dentures, hearing aids, prostheses and medical or dental devices. This benefit also covers the reasonable cost of examinations obtained for the purposes of the *Statutory Accident Benefits Schedule*.

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.