

Subject: Important Changes to No-Fault Statutory Accident Benefits on your Auto Insurance Policy

Dear Policyholder,

We hope this letter finds you well — thank you for your continued loyalty to our team at Ambroziak & Rao Insurance Brokers Inc.. We are here to ensure that you are informed of changes to your insurance policies and have access to professional advice when needed. Please don't hesitate to reach out if you have any questions or concerns.

Changes effective July 1, 2026

Starting July 1, 2026, Ontario is making auto insurance more flexible. Some no-fault statutory accident benefits that were previously included in every Ontario auto insurance policy will become optional. This gives you more choice over your coverage, but it also means you will need to review your policy carefully to ensure you have the benefits that meet your needs.

Medical, rehabilitation and attendant care benefits remain mandatory

Standard medical, rehabilitation and attendant care benefits will continue to be included in all Ontario auto insurance policies. These benefits are “no-fault” which means they are available to you regardless of who caused the accident. These benefits cover medical expenses, therapy and personal care assistance for injuries from an accident including rehabilitation therapy, and help with daily activities like bathing, dressing and feeding.

All other accident benefits will become optional

The following auto insurance accident benefits will become optional as of July 1, 2026:

- **Income Replacement:** Helps replace income if you or a covered person are unable to work because of injuries sustained in an auto accident.
- **Non-Earner:** If you or a covered person is a student or unemployed, and an auto accident keeps you from leading a normal life, this benefit can provide financial support while you recover.
- **Caregiver:** Helps cover caregiving expenses if you or a covered person is injured in an auto accident and can no longer provide care for a household member who needs it, such as a child or aging parent.

- **Lost Educational Expenses:** If an auto accident keeps you or a covered person from attending school or an education program, this benefit can help cover the costs you have lost.
- **Visitor Expenses:** Helps cover reasonable and necessary expenses of visitors, such as a sibling or parents, if you or a covered person is injured in an auto accident.
- **Housekeeping and Home Maintenance (Catastrophic Impairment Only):** Helps cover costs if you or a covered person is unable to perform the housekeeping and home maintenance tasks normally done before an auto accident.
- **Damage to Personal Items:** Helps cover the cost to repair or replace personal items (e.g., clothing, prescription eyewear, hearing aids, etc.) damaged in an auto accident.
- **Death:** Compensates some family members if you or a covered person die in or as a result of injuries sustained in an auto accident.
- **Funeral:** Helps cover some funeral costs if you or a covered person die in or as a result of injuries sustained in an auto accident.

Auto policies renew automatically — please review your optional statutory accident benefits beforehand.

Your auto policy will renew automatically with your current coverage and limits, unless you agree with your insurer in writing to decline certain benefits that are becoming optional effective July 1 or make changes to them. If you would like to discuss any changes to your current policy after July 1, 2026, please reach out to our team here at Ambroziak & Rao Insurance Brokers Inc. Before reaching out to us to discuss your options or to make any changes to your auto policy, it is advisable to review your personal or work benefits to see what's covered.

Changes to who is covered by your auto insurance policy

Although your current policy will renew with the same coverage and limits, who is covered under your policy for these nine newly optional accident benefits will change on July 1, 2026, regardless of the renewal effective date.

Optional accident benefits will only apply to:

- The named insured on the auto policy
- The spouse of the named insured on the auto policy
- Dependants of the named insured on the auto policy and of the named insured's spouse
- Persons specified in the auto policy as drivers of the insured vehicle

Standard coverage will change to “an Impairment” coverage, which includes both catastrophic and non-catastrophic impairments

When your auto policy renews, it will renew with the current standard Catastrophic Impairment coverage, or the buy-up of additional coverage over and above the standard, if you have previously chosen one.

From July 1 onwards, the standard coverage will change to ‘an Impairment’ that will include both catastrophic and non-catastrophic impairment. If you wish to review or change your current coverage choices upon renewal, please reach out to us to discuss your options.

The order of who pays first for some medical/rehab expenses will change

As of July 1, 2026, auto insurers will become the first payor for medical and rehabilitation expenses (excluding medication) for injuries from an auto accident, before these expenses are paid under a supplementary health insurance plan like your work benefits.

If your personal circumstances change — such as you or any member of the household changes jobs, goes back to school, or cares for children or parents — your existing statutory accident benefits may no longer suit your life circumstances. We are here to help you understand your options and make the best choices for your situation. If you have any questions or want to discuss your benefits, please do not hesitate to contact us at **905 366 00 66**.

Sincerely,

Ambroziak & Rao Insurance Brokers Inc.

Disclaimer

The descriptions of the statutory accident benefits in this document is a summary of the statutory accident benefits in Ontario Regulation 34/10 (the “SABS”). Do not rely on this summary alone. For full details, refer to the new standard automobile wordings available at fsra.ca or speak with a broker.