For Settlements Made on or After March 1, 2002. Excerpt From R.R.O. 1990, Reg. 664, as amended

SETTLEMENTS - STATUTORY ACCIDENT BENEFITS

9.1

1. In this section, "settlement" means an agreement between an insurer and an insured person that finally disposes of a claim or dispute in respect of the insured person's entitlement to one or more benefits under the *Statutory Accident Benefits Schedule*.

2. The insurer shall give the insured person a written disclosure notice, signed by the insurer, with respect to the settlement.

3. The disclosure notice shall be in a form approved by the Superintendent and shall contain the following information:

    1. The insurer's offer with respect to the settlement.
    2. A description of the benefits that may be available to the insured person under the *Statutory Accident Benefits Schedule.*
    3. A statement that the insured person may, within two business days after the later of the day the insured person signs the disclosure notice and the day the insured person signs the release, rescind the settlement by delivering a written notice to the office of the insurer or its representative and returning any money received by the insured person as consideration for the settlement.
    4. A description of the consequences of the settlement on the benefits described under paragraph 2 including,

        i. a statement of the restrictions contained in the settlement on the insured person's right to mediate, litigate, arbitrate, appeal or apply to vary an order under sections 280 to 284 of the Act, and

        ii. a statement that the tax implications of the settlement may be different from the tax implications of the benefits described under paragraph 2.

    5. A statement advising the insured person to consider seeking independent legal, financial and medical advice before entering into the settlement.
    6. A statement for signature by the insured person acknowledging that he or she has read the disclosure notice and considered seeking independent legal, financial and medical advice before entering into the settlement

4. The insured person may rescind the settlement within two business days after the later of the day the insured person signs the disclosure notice and the day the insured person signs the release.

5. The insured person may rescind the settlement after the period referred to in subsection (4) if the insurer has not compiled with subsections (2) and (3).

6. Subsections (4) and (5) do not apply with respect to a settlement that has been approved by a court under Rule 7 of the Rules of Civil Procedure (Parties under Disability).

7. The insured person shall rescind a settlement under subsection (4) or (5) by delivering a

written notice to the office of the insurer or its representative and returning any money received by the insured person as consideration for the settlement.

8. No person may commence a mediation proceeding under section 280 of the Act with respect to benefits that were the subject of a settlement or a purported settlement unless the person has returned the money received as consideration for the settlement.

9. If the insured person returns money to the insurer under subsection (7) or (8) and a dispute arises between the insurer and the insured person with respect to the validity of the purported settlement or the right of the insured person to rescind the settlement, the insurer shall hold the money in trust until the matter is determined, at which time the amount and any income on the amount,

   (a) shall be paid to the insured, if it is determined or agreed that there was a valid settlement that was not rescinded; and

   (b) shall be returned to the insurer, if it is determined or agreed that there was no settlement, or that the settlement was invalid or was rescinded.

10. A restriction on an insured person's right to mediate, litigate, arbitrate, appeal or apply to vary an order under sections 280 to 284 of the Act is not void under subsection 279 (2) of the Act if,

    (a) the restriction is contained in a settlement;

    (b) the settlement is entered into on or after the first anniversary of the day of the accident that gave rise to the claim; and

    (c) the insurer complied with subsections (2) and (3).

11. Despite clause (10) (b), a restriction contained in a settlement entered into before the first anniversary of the day of the accident that gave rise to the claim is not void under subsection 279 (2) of the Act if, in respect of the claim,

    (a) the insured person brought a proceeding in a court of competent jurisdiction under clause 281 (1) (a) of the Act and examinations for discovery have commenced;

    (b) the insured person referred the issues in dispute to an arbitrator under clause 281 (1) (b) of the Act and a pre-hearing conference has been completed; or

    (c) the insurer and the insured agreed under clause 281 (1) (c) of the Act to submit the issues in dispute for arbitration in accordance with the *Arbitration Act, 1991* and an arbitration agreement under that Act has been entered into.

12. Clause (10) (b) and subsection (11) apply to claims that have not settled before October 1, 2003, unless a disclosure notice under subsection (2) in respect of the settlement or purported settlement was given to the insured person before that date.