Property and Casualty - Auto Bulletins

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Bulletins by Sector

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Bulletin

No. A-07/03

Propety & Casualty

- Auto

Revised Ontario Application for Automobile Insurance (Owner's Form) (OAF 1); Insurer Obligations Under Privacy and Other Legislation

To the attention of all insurance companies licensed to transact automobile insurance in Ontario

The Financial Services Commission of Ontario (FSCO) has revised and updated the OAF 1 - *Ontario Application for Automobile Insurance (Owner's Form)* to reflect changes to the automobile insurance system introduced under Bill 198.

Changes to the form have been made in consultation with insurance industry stakeholders and include improvements requested by them.

Changes include:

- better use of space on the form by using the first page for explanations and instructions;
- eliminating the mandatory pre-insurance inspection provision;
- amending the provisions dealing with deductible for theft;

- amending the consent to collect, use and disclose personal information; and
- expanding the fraud and offences warning.

Insurance Company Compliance with Privacy and Other Legislation

The revised OAF 1 declaration sets out certain limited purposes, consistent with the *Insurance Act*, for which insurers may collect, use and disclose described information once the applicant's consent has been given by signing the OAF 1. However, insurers are reminded that use of an approved form does not, in and of itself, necessarily constitute compliance with all relevant legal requirements. It is the responsibility of all insurers to review their practices to ensure that they comply with all applicable legislation, including legislation (such as the federal *Personal Information Protection and Electronic Documents Act)* pertaining to privacy. Depending on their business practices, insurers may need to provide additional disclosure and obtain additional consents to collect, use and disclose information about their customers.

Written Application to Applicants

Insurers are also reminded that if no signed written application is received by the insurer prior to the issuing of a policy, subsection 232 (2) of the *Insurance Act* requires that the insurer deliver or mail to the insured named in the policy, or to the agent for delivery or mailing to the insured, a form of application to be completed and signed by the insured and returned to the insurer.

Insurers are further reminded that they have a legal obligation to ensure that insurance documents such as application forms are carefully and accurately completed.

Implementation

The revised OAF 1 will be effective for use beginning October 1, 2003.

How to Obtain the Revised Form

For your reference we are attaching a copy of the revised OAF 1 in both English and French. You can also access the forms at FSCO's website at www.fsco.gov.on.ca

If you have questions about the revised OAF 1, please contact your rate analyst in the Automobile Insurance Division

at FSCO.

Bryan P. Davies

Chief Executive Officer and Superintendent of Financial Services

July 29, 2003

Attachment (PDF):

- OAF 1 - Ontario Application for Automobile Insurance (Owner's Form)


To view PDF files, you will require Adobe Acrobat® Reader version 7.0. You can download this free software from Adobe's Web site.

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Toronto, ON M2N 6L9
1-800-668-0128
(416) 250-7250

Ontario Application for Automobile Insurance

Owner's Form (OAF 1)

This is your Application for Automobile Insurance.

- Check it carefully and notify your Broker/Agent of any errors or of any changes in the future.
- Retain this document for your Records.

Some of the terms used in this application are explained further below.

Insurance Company

Broker/Agent

Insurance Coverages Applied For

Ontario motorists must have the following basic coverages: Liability, Accident Benefits, Uninsured Automobile and Direct Compensation – Property Damage. You may also purchase additional insurance for Loss or Damage to the automobile and Optional Increased Accident Benefits. This is a brief explanation of the insurance coverages available to you. For complete details consult your policy. Your Insurer will supply you with a copy of the policy if you request it.

Liability - Provides coverage for you or other insured persons if someone else is killed or injured or their property is damaged in an automobile incident. It will pay for legitimate claims against you or other insured persons up to the limit of your coverage, and the cost of settling claims.

Accident Benefits - Your insurance company is obligated to explain details of Accident Benefits coverage to you. Provides benefits that you and other insured persons are entitled to receive if injured or killed in an automobile accident. These benefits include: income replacement for persons who have lost income; payments to non-earners who suffer complete inability to carry on a normal life; payment of care expenses to persons who cannot continue to act as a primary caregiver for a member of their household; payment of medical, rehabilitation and attendant care expenses; payment of certain other expenses; payment of funeral expenses; and payments to survivors of a person who is killed. You may also purchase optional benefits to increase the basic level of benefits provided in your policy.

The optional benefits your insurance company must offer are:

Increased Income Replacement – the basic level of income replacement provided in the policy ($400 per week maximum) can be increased by purchasing optional coverage so that the weekly limit is up to $600, $800 or $1,000. All income replacement benefits are based on 80% of your net weekly income.

Increased Caregiver and Dependant Care – the basic level of caregiver benefits for care expenses of persons who are not employed but care for dependants (up to $250 per week for the first person needing care, and $50 per week for every additional person) can be increased by purchasing optional coverage so that the weekly limit is up to $325 for the first person and $75 for additional persons. There is no basic benefit for persons who are employed and care for dependants, but if you purchase this optional coverage you can receive a benefit to cover additional weekly dependant care expenses of $75 for the first dependant, and $25 for each additional dependant, up to $150 per week.

Increased Medical, Rehabilitation and Attendant Care – the basic benefit pays up to $100,000 for medical and rehabilitation expenses, with a 10 year time limit in most cases, and up to $72,000 for attendant care expenses. If catastrophically impaired, the basic benefit pays up to $1,000,000 for medical and rehabilitation expenses and up to $1,000,000 for attendant care expenses. You can purchase optional coverage of $1,000,000 above the basic coverage, and that provides no limitation on the time for which these expenses are paid.

Increased Death and Funeral – the basic level of death benefits paid to the surviving spouse or surviving same-sex partner and dependant of a person who is killed ($25,000 to surviving spouse or surviving same-sex partner; $10,000 to surviving dependant) can be doubled by purchasing this optional coverage. This coverage also increases the basic funeral expense benefit from $6,000 to $8,000.

Indexation Benefit – this optional coverage will ensure that certain weekly benefit payments and monetary limits will increase on an annual basis to reflect changes in the cost of living.

Uninsured Automobile

Provides coverage if you or other insured persons are injured or killed by an uninsured motorist or by a hit-and-run driver. It covers damage to your automobile and its contents caused by an identified, uninsured motorist, subject to a $300 deductible.

Direct Compensation – Property Damage

Provides coverage in Ontario, under certain conditions, for damage to your automobile and to property it is carrying, when another motorist is responsible. It is called Direct Compensation because you will collect from us, your insurance company, even though you are not at fault for the accident. There may be a deductible amount, and this amount is either paid by you toward the cost of repairs or is deducted from the loss settlement. Higher deductibles may reduce your premium.

Loss or Damage

Provides a selection of optional coverages for your own automobile. Payments cover direct and accidental loss of, or damage to, a described automobile and its equipment. There is usually a deductible amount indicated for each coverage and this amount is either paid by you toward the cost of repairs or is deducted from the loss settlement. Higher deductibles may reduce your premium. There are four types of coverages:

Specified Perils: Covers the described automobile against loss or damage caused by certain specific perils. They are fire; theft or attempted theft; lightning, windstorm, hail or rising water; earthquake; explosion; riot or civil disturbance; falling or forced landing of aircraft or parts of aircraft; or the stranding, sinking, burning, derailment or collision of any kind of transport in, or upon which, the described automobile is being transported.

Comprehensive: Covers a described automobile against loss or damage other than those covered by Collision or Upset, including perils listed under Specified Perils, falling or flying objects, missiles and vandalism.

Collision or Upset: Covers damage when a described automobile is involved in a collision with another object or tips over.

All Perils: Combines the Collision or Upset and Comprehensive coverages.

Ontario Application for Automobile Insurance
Owner's Form (OAF 1)

Policy No. Assigned

New policy ☐ | Replacing Policy No. | Company bill ☐ | Broker/Agent bill ☐ | Other (specify) | Language Preferred ☐ English ☐ French

Insurance Company (Insurer)

Broker/Agent

Broker Code:

1 Applicant's Name & Postal Address

Name and Address

Postal Code

Phone No. Home ( ) Work ( )

Lessor (if applicable)

Name and Address

Postal Code

Phone No. ( ) Fax ( )

2 Policy Period (all times are local times at the applicant's address shown above)

Effective Date: Year Month Day Time: a.m. ☐ p.m. ☐

Expiry Date: Year Month Day **at 12:01 a.m.**

3 Described Automobile

Each automobile will be used primarily in the vicinity of the applicant's address, unless otherwise stated in Remarks.

Auto No.	Model Year	Make or Trade Name	Model	Body Type	No. of Cylinders or Engine Size	Gross Vehicle Weight [ ] Lbs [ ] Kg
1.						
2.						
3.						

Auto No.	Vehicle Identification No. (Serial No.)	Owned?	Leased?	Purchased/Leased Year	Month	New?	Used?	Purchase Price (including options & taxes)	Automobile Use (*Give details in Remarks section) Pleasure	Commute One - Way	Business*	Farm	Commercial*
1.										km			
2.										km			
3.										km			

Auto No.	Estimated Annual Driving Distance	Is any automobile used for car pooling? If Yes, give no. of Passengers and Details	Type of Fuel Used: Gas	Diesel	If other, give details:	Unrepaired Damage? (If Yes, give details in remarks Section)	Modified/Customized (See Note 1)
1.	km	Yes ☐ No ☐				Yes ☐ No ☐	Yes ☐ No ☐
2.	km	Yes ☐ No ☐				Yes ☐ No ☐	Yes ☐ No ☐
3.	km	Yes ☐ No ☐				Yes ☐ No ☐	Yes ☐ No ☐

Auto No.	Lienholder Name & Postal Address
1.	
2.	
3.	

- Is the applicant both the Registered Owner **and** the Actual Owner of the described automobile(s)? Yes ☐ No ☐ If No, give details in remarks section:
- Will any of the described automobiles be rented or leased to others, or used to carry passengers for compensation or hire, or haul a trailer, or carry explosives or radioactive material? Yes ☐ No ☐
- Total number of automobiles in the household or business.

4 Driver Information – List all drivers of the described automobile(s) in the household or business.

Driver No.	Name as shown on Driver's Licence	Driver's Licence Number	Date of Birth Year	Month	Day	Sex	Marital or Same-Sex Partner Status
1.							
2.							
3.							
4.							

Driver No.	Driver Training Certificate Attached?	Date First Licensed in Canada or U.S. (Class G or equivalent) Class	Year	Month	Other class of licence, if any Class	Year	Month	Percentage Use by Each Driver Auto. 1	Auto. 2	Auto. 3	Are any other persons in the household or business licensed to drive?	Do any drivers qualify for Retiree Discount? (See Note 2)
1.	Yes ☐ No ☐										Yes ☐ No ☐ If yes, provide complete details in the Remarks Section.	Yes ☐ No ☐
2.	Yes ☐ No ☐											Yes ☐ No ☐
3.	Yes ☐ No ☐											Yes ☐ No ☐
4.	Yes ☐ No ☐											Yes ☐ No ☐

Special Notes

Note 1: Modified/customized includes changes, other than repairs or restorations, that affect the original manufacturer's design specifications or increase the value of the automobile. These may include, but are not limited to: engine modifications; paint changes; non-factory installed wheels, tires and electronic accessories and equipment, etc. If you are insured for "Loss or Damage Coverage", there is a $1500 limit on non-factory installed electronic accessories and equipment.

Note 2: Retiree Discount – You may be entitled to a discount if you are the principal operator of a described automobile, are retired, have not been employed for 26 weeks or more in the last 52 weeks, do not earn or receive income from any office or employment, are not engaged in any professional occupation and are not operating a business. To qualify, you must be at least age 65, or receiving a pension under the Canada Pension Plan, the Quebec Pension Plan, or a pension registered under the Income Tax Act. If you qualify, your broker or agent will ask you to sign a declaration to confirm this.

If a driver is licensed less than 6 years in Canada, driving experience in other countries may be recognized. Attach proof of other licensing an insurance.

What are the details of the applicant's most recent automobile insurance?

Insurance Company	Policy No.	Expiry Date Year / Month / Day

To the applicant's knowledge...

- Has any driver's licence, vehicle permit etc, issued to the applicant or to any person in the household or business been suspended or cancelled in the last 6 years?
  Yes ☐ No ☐ If Yes, give details in Remarks section.
- Has any insurance company cancelled automobile insurance for the applicant or any listed driver in the last 3 years?
  Yes ☐ No ☐ If Yes, give details in Remarks section.
- During the last 3 years, has any automobile insurance policy issued to the applicant or any listed driver been cancelled or has any claim been denied for material misrepresentation? Yes ☐ No ☐ If Yes, give details in Remarks section.
- Has the applicant or any listed driver been found by a court to have committed a fraud connected with automobile insurance?
  Yes ☐ No ☐ If Yes, give details in Remarks section.

5 Previous Accidents and Insurance Claims

Give details of all accidents or claims arising from the ownership, use or operation of any automobile by the applicant or any listed driver during the last 6 years. The coverages are: BI - Bodily Injury, PD - Property Damage, AB - Accident Benefits, DCPD - Direct Compensation - Property Damage, UA - Uninsured Automobile, Coll - Collision, AP - All Perils, Comp - Comprehensive, SP - Specified Perils

Driver No.	Auto No.	Date Year	Month	Day	Coverage Claim Paid Under BI	PD	AB	DCPD	UA	Coll/AP	Comp/SP	Amount Paid or Estimate	Details (Use Remarks Section if necessary)

6 History of Convictions

Give details of all convictions of the applicant and any listed driver arising from the operation of any automobile in the last 3 years.

Driver No.	Date Convicted Year	Month	Day	Details (Use Remarks Section if necessary)	Driver No.	Date Convicted Year	Month	Day	Details (Use Remarks Section if necessary)

7 Rating Information – AGENT/BROKER AND COMPANY USE ONLY

Auto No.	Class	Driving Record BI	PD	AB	DCPD	Coll/AP	Driver No. Princ.	Sec.	At-Fault Claim Surcharges Description	%	Conviction Surcharges Description	%
1.												
2.												
3.												

Auto No.	List Price New	Vehicle Code	Rate Group AB	DCPD/ Coll/AP	Comp/SP	Location	Territory	Discounts Description and Percentage
1.								
2.								
3.								

8 Insurance Coverages Applied For – Read Page 1 of this form before completing this section.

	Automobile 1 Premium	Automobile 2 Limit (000s)	Automobile 2 Premium	Automobile 3 Limit (000s)	Automobile 3 Premium	Occasional Driver Premium
Mandatory						
Liability						
Bodily Injury						
Property Damage						
Accident Benefits (Basic Benefits)						
Optional Increased Accident Benefits						
(🗐) **Coverage Required**						
☐ Income Replacement Up to $ 600 per wk.						
☐ Income Replacement Up to $ 800 per wk.						
☐ Income Replacement Up to $1,000 per wk.						
☐ Caregiver & Dependant Care						
☐ Medical, Rehabilitation & Attendant Care						
☐ Death & Funeral						
☐ Indexation Benefit						
Uninsured Automobile						
Direct Compensation-Property Damage	Deductible	Deductible		Deductible		
This policy contains a partial payment of recovery clause for property damage if a deductible is specified for Direct Compensation-Property Damage.						

	Deductible	Premium	Deductible	Premium	Deductible	Premium	Premium
Optional							
Loss or Damage*							
Specified Perils (excluding Collision or Upset)							
Comprehensive (excluding Collision or Upset)							
Collision or Upset							
All Perils							

*** This policy contains a partial payment of loss clause.** A deductible applies for each claim except as stated in your policy.

	Deductible/Limit	Premium	Deductible/Limit	Premium	Deductible/Limit	Premium	Premium
OPCF							
Policy Change Forms (Name & No.)	LIMIT SAME AS LIABILITY UNLESS OTHERWISE NOTED		LIMIT SAME AS LIABILITY UNLESS OTHERWISE NOTED		LIMIT SAME AS LIABILITY UNLESS OTHERWISE NOTED		
Family Protection Coverage -OPCF 44R ☐ Yes ☐ No							
Total Premium Per Automobile							

9 Remarks - Use this space if you have further details

Extra sheets attached. ☐

10 Method of Payment

Type of Payment Plan	Estimated Policy Premium**	Provincial Sales Tax	Interest	**Total Estimated Cost**
Amt. Paid with Application	Amount Still Due	No. of Remaining Instalments	Amount of Each Instalment	Instalment Due Date Y | M | D

**** This policy premium is estimated and subject to adjustment or confirmation by the insurer. If we issue a policy and the applicant cancels it, there may be a minimum premium shown on your Certificate of Automobile Insurance that will not be refunded.**

11 Declaration of Applicant – Read this section carefully before you sign.

I understand that to qualify for a driver's licence, drivers:

- must not suffer from any mental, emotional, nervous or physical disability that significantly interferes with the driver's ability to safely drive an automobile of the class they are licensed for;
- must not be addicted to alcohol or a drug to the extent that it significantly interferes with the driver's ability to safely drive an automobile; and
- must notify the Ministry of Transportation immediately if the driver becomes physically or mentally disabled to the extent that it might interfere with the driver's ability to safely drive an automobile.

To the best of my knowledge,
- all listed drivers are qualified and hold a driver's licence, and
- the details in Sections 1 to 6 and 9 are correct.

Where

1. an Applicant for a contract,
   - i) gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or
   - ii) knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or
2. the Insured contravenes a term of the contract or commits a fraud; or
3. the Insured wilfully makes a false statement in respect of a claim under the contract,
   - i) a claim by the Insured, for other than such statutory accident benefits as are set out in the Statutory Accident Benefits Schedule, is invalid and the right of the Insured to recover indemnity is forfeited.

Inspection
My Insurer may require my automobile to be inspected. If I do not co-operate with any reasonable arrangements to inspect my automobile, I understand my optional loss or damage coverages under Section 7 may be cancelled, and any claims under that section may be denied.

Warning - The Insurance Act provides that where:
(a) an Applicant for a contract, (i) gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or (ii) knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the Insured contravenes a term of the contract or commits a fraud; or (c) the Insured wilfully makes a false statement in respect of a claim under the contract, a claim by the Insured, for other than such statutory accident benefits as are set out in the Statutory Accident Benefits Schedule, is invalid and the right of the Insured to recover indemnity is forfeited.

Warning - Offences
It is an offence under the *Insurance Act* to knowingly make a false or misleading statement or representation to an Insurer in connection with the person's entitlement to a benefit under contract of insurance, or to wilfully fail to inform the Insurer of a material change in circumstances within 14 days, in connection with such entitlement. The offence is punishable on conviction by a maximum fine of $100,000 for the first offence and a maximum fine of $200,000 for any subsequent conviction.

It is an offence under the federal *Criminal Code* for anyone to knowingly make or use a false document with the intent it be acted on as genuine and the offence is punishable, on conviction, by a maximum of 10 years imprisonment.

It is an offence under the federal *Criminal Code* for anyone, by deceit, falsehood or other dishonest act, to defraud or to attempt to defraud an insurance company. The offence is punishable, on conviction, by a maximum of 10 years imprisonment for fraud involving an amount over $5,000 or otherwise a maximum of 2 years imprisonment.

Consent
I am applying for automobile insurance based on the information provided above. With respect to this application or any renewal or change in coverage, I authorize you to collect, use and disclose information as permitted by law for the purposes necessary to assess the risk, investigate and settle claims, and detect and prevent fraud, such as credit information, driving record information and claims history.

Applicant's Signature	Date

12 Report of Broker/Agent

Have you bound this risk? Yes ☐ No ☐	Is this business new to you? Yes ☐ No ☐	Type of Motor Vehicle Liability Insurance Card issued Temp ☐ Perm ☐ None ☐	How long have you known the Applicant?	How long have you known the Principal Driver?

Has an inspection been completed? Yes ☐ No ☐

Broker/Agent Signature	Date

The Applicant must receive a copy of the signed application.
A supplementary form for commercial or public use automobiles may be necessary.