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## Bulletin

No. A- 07/06  
Property & Casualty  
– Auto

### Amendments to the Ontario Automobile Policy (OAP 1) and related forms

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

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The bulletins posted may contain forms that are no longer current. For the current version of any FSCO form, please visit the [forms area](#) of this website.

With this Bulletin, the Financial Services Commission of Ontario (FSCO) is amending the Ontario Automobile Policy (OAP 1) and a number of related forms as a result of Bill 18, the Budget Measures Act, 2005 (No. 2), dealing with vicarious liability.

Changes to these forms have been developed in consultation with stakeholders, including the Insurance Bureau of Canada, the Insurance Brokers Association of Ontario and rental and leasing groups.

#### OAP 1 Changes

Changes have been made to the OAP 1 to clarify that there is coverage for liability for an insured person (i.e., a person who has their own automobile insurance policy) in situations where the person rents or leases an automobile and is vicariously liable for the negligence of another person who drives the automobile. This situation can arise where an insured person rents or leases a car and then lends the vehicle to a friend, who is negligent in an accident while driving the car.

If a liability claim is made against a driver, renter/lessee or owner of a rented or leased vehicle, coverage may be available from more than one automobile insurance policy. The OAP 1 has been amended to provide additional guidance on the order in which these policies will respond.

#### Other Ontario Policy Change Form (OPCF) Changes

Changes have also been made to the following forms to reflect the vicarious liability changes: OPCF 2, OPCF 5, OPCF 5C and OPCF 27.

These changes include: changes to the title and contents of some of the forms to reference rented or leased vehicles; clarification that certain policies are issued to the lessee and not lessor; amendments to reflect the new sub-limits for excess liability; and clarification of the exclusion of liability coverage for

excluded drivers.

Please note that where the OPCF 5C is used in connection with a policy insuring a vehicle (e.g., a commercial vehicle) that is required by law to carry third party liability coverage in excess of \$1,000,000, the form provides for the ability to stipulate the appropriate third party liability coverage amount.

## Effective Date of Forms

The revised OAP 1 and amended OPCF 2, 5, 5C and 27 are effective for new business and renewals effective on or after January 1, 2007.

It is expected that changes to the OAP 1 and the endorsements will also be read-in to all policies in force on or after March 1, 2006, the date that the vicarious liability amendments in the Budget Measures Act, 2005 (No. 2) became effective.

## Additional Form Changes

Additional changes to other commercial related forms to reflect the vicarious liability changes are being made and will be released in the near future.

## How to Obtain the New / Revised Forms

Copies of the revised OAP 1 and OPCF 2, 5, 5C, and 27 are attached and are also available from the Financial Services Commission of Ontario (FSCO) website at: [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca). The OAP 1 will also be published in a forthcoming edition of The Ontario Gazette.

Bob Christie  
Chief Executive Officer and  
Superintendent of Financial Services

October 16, 2006

## Attachments:

- [OAP 1](#) - Ontario Automobile Policy
- [OPCF 2](#) - Providing Coverage when Named Persons Drive Other Automobiles or Rent or Lease Other Automobiles
- [OPCF 5](#) - Permission to Rent or Lease Automobiles and Extending Coverage to the Specified Lessee(s)
- [OPCF 5C](#) - Permission to Rent or Lease
- [OPCF 27](#) - Liability for Damage to Non-Owned Automobile(s), and Other Coverages When Insured Persons Drive, Rent, or Lease Other



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