



Current Articles 1998 – June

The revised Family Protection Endorsement -- OPCF 44R

Between November 1, 1980 and March 1, 1981 the Underinsured Motorist Benefit (SEF 42) was introduced to Ontario Auto policies. In February, 1985, the endorsement was amended and renamed the Family Protection Coverage Endorsement (OPCF 44). Effective May 1, 1998 the Family Protection Coverage endorsement has been again amended and the benefits have been broadened.

The amendment followed a recent court decision - Chilton vs. Co-operators and General Accident. This plaintiff was awarded \$622,000 when he was hit by a stolen vehicle. The driver was never identified. Under the existing endorsement victims of unidentified drivers are not able to claim. A plaintiff could claim under the Uninsured Automobile Coverage up to the limit of \$200,000 but could not obtain in excess from the OPCF 44.

The new OPCF 44R has amended the definition of "inadequately insured motorist" to extend coverage to victims of unidentified drivers provided there is independent corroborating evidence as defined:

- where an eligible claimant alleges that both the owner and driver of an automobile cannot be determined, the eligible claimant's own evidence of the involvement of such auto must be corroborated by other material evidence. Other material evidence refers to: (i) independent witness evidence, other than of spouse or dependent relative as defined in the endorsement (ii) Physical evidence indicating the involvement of an unidentified auto

This new Family Protection Coverage Endorsement (OPCF 44R) and the similar amended endorsement for the Garage Auto Policy (O.E.F.81R) will apply to all New and Renewal Policies effective May 1, 1998. Some insurers have agreed to "read in" the amendments but the Ontario Insurance Commission does not require the "read in". It would be a good idea to canvas your markets to obtain clearly the insurers position on the handling of this revision.

This amendment is not expected to have any significant effect on the premium for this endorsement.

On a very positive note the Insurance Bureau of Canada have released the results of a study comparing novice drivers for two years before graduated licensing and similarly for two years immediately after its introduction. Comparing novice drivers for all ages and including fatal accidents, injury claims and property damage the graduated licensing has reduced the number of claims by 30%!! By comparative collision rates by age the graduated licence system has reduced the claims.

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