

Legislative
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Bill 42

**An Act to amend the Automobile Insurance Rate Stabilization Act, 2003 and
the Insurance Act with respect to ending discrimination in automobile insurance**

Mr. P. Gill

Private Member's Bill

1st Reading October 15, 2018

2nd Reading

3rd Reading

Royal Assent



EXPLANATORY NOTE

The purpose of the Bill is to enhance the marketplace and to encourage more consumer choice in the area of automobile insurance.

The Bill amends the *Automobile Insurance Rate Stabilization Act, 2003* to require the Superintendent of Financial Services to rescind Bulletin A-01/05 which sets out factors to be included in a risk classification system of an insurer under that Act.

The Bill also amends the *Insurance Act* to require the Lieutenant Governor in Council to amend Regulation 664 (Automobile Insurance) of the Revised Regulations of Ontario, 1990 made under this Act so that a risk classification system prohibits insurers from using factors primarily related to the postal code or telephone area code for the residence of a person who would be an insured person under a contract. It also requires the Financial Services Regulatory Authority of Ontario to make a rule to the same effect.

**An Act to amend the Automobile Insurance Rate Stabilization Act, 2003 and
the Insurance Act with respect to ending discrimination in automobile insurance**

Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

AUTOMOBILE INSURANCE RATE STABILIZATION ACT, 2003

1 Section 2.1 of the *Automobile Insurance Rate Stabilization Act, 2003* is amended by adding the following subsection:

Presumption, no indicators of residence of insured person

(7.1) For the purposes of clauses 3 (5) (a), 7 (7) (a) and 7.1 (1) (a), the Superintendent shall rescind Bulletin A-01/05, as it reads on the day this subsection comes into force, which sets out factors to be included in a risk classification system of an insurer.

INSURANCE ACT

2 (1) Paragraph 34.1 of subsection 121 (1) of the *Insurance Act* is amended by adding “subject to subsection (1.1)” at the beginning.

(2) Paragraph 36 of subsection 121 (1) of the Act is amended by adding “subject to subsection (1.1)” at the beginning.

(3) Paragraph 36.1 of subsection 121 (1) of the Act is amended by adding “subject to subsection (1.1)” at the beginning.

(4) Section 121 of the Act is amended by adding the following subsection:

Restriction, risk classification system

(1.1) The Lieutenant Governor in Council shall amend Regulation 664 (Automobile Insurance) of the Revised Regulations of Ontario, 1990 made under this Act, as that Regulation reads on the day this subsection comes into force, so that a risk classification system prohibits insurers from using factors primarily related to the postal code or telephone area code for the residence of a person who would be an insured person under a contract.

3 (1) Paragraph 32 of subsection 121.0.1 (1) of the Act is amended by adding “Subject to subsection (1.1)” at the beginning.

(2) Paragraph 33 of subsection 121.0.1 (1) of the Act is amended by adding “Subject to subsection (1.1)” at the beginning.

(3) Section 121.0.1 of the Act is amended by adding the following subsection:

Restriction, risk classification system

(1.1) The Authority shall make a rule so that a risk classification system prohibits insurers from using factors primarily related to the postal code or telephone area code for the residence of a person who would be an insured person under a contract.

COMMENCEMENT AND SHORT TITLE

Commencement

4 (1) Subject to subsection (2), this Act comes into force on the day it receives Royal Assent.

(2) Section 3 comes into force on the day section 10 of Schedule 21 to the *Stronger, Fairer Ontario Act (Budget Measures), 2017* comes into force.

Short title

5 The short title of this Act is the *Ending Discrimination in Automobile Insurance Act, 2018*.