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## What do the coverages mean?

**Accident Benefits:** Benefits that you or other insured persons may receive if injured or killed in an auto accident. The benefits may include: income replacement; medical, rehabilitation and attendant care; funeral and death expenses. Optional accident benefits are also available above the standard accident benefits in your auto policy.

**All Perils coverage:** This combines Collision or Upset and Comprehensive coverages. In addition, it covers loss or damage caused if a person who lives in your home steals the vehicle that is covered by your insurance policy. It also covers you if an employee who drives or uses, services or repairs your vehicle, steals it.

**Attendant Care Benefit:** Pays for expenses incurred for an aide or attendant to look after you if you have been seriously injured in an auto accident.

**Caregiver Benefit:** If you are providing full-time care to dependants and can no longer provide that care as the result of a catastrophic injury suffered in an auto accident, you may be eligible for caregiver benefits to reimburse you for your expenses to hire someone to care for your dependants.

**Catastrophic injury:** Is a serious and life-threatening injury, with the full definition set out in regulation. It may involve the loss of use of limbs or complete loss of eyesight as well as other injuries as defined in regulation. In Ontario there is a higher level of benefits available when the injury is catastrophic. If you suffer an injury in an accident, you can apply and be assessed for a determination of whether your injury qualifies as "catastrophic".

**Collision or Upset coverage:** Pays for losses caused when your vehicle is involved in a collision with another object, including another vehicle, or rolls over.

**Comprehensive coverage:** Pays for losses for certain perils, such as falling or flying objects, and vandalism.

**Death and Funeral Benefit:** If you die as a result of an auto accident, the death benefit provides a lump sum payout to your spouse and your dependants; the funeral benefit provides a lump sum payout to cover the cost of your funeral expenses.

**Dependant Care Benefit:** Pays for additional expenses incurred to care for your dependants if you are employed and are injured in an auto accident and not receiving the Caregiver Benefit.

**Direct Compensation-Property Damage (DC-PD):** Covers damage to your vehicle or its contents if another person was at fault for the accident. It is called direct compensation because even though someone else causes the damage, you collect directly from your own insurer. The accident must also occur in Ontario and both drivers must be insured by an insurance company licensed in the province.

**Family Protection Coverage (OPCF 44R):** Covers you for the difference between the at-fault driver's Third Party

Liability limit and your own Third Party Liability limit if someone with less liability coverage than you injures you in an accident.

**Housekeeping and Home Maintenance expenses:** If you are unable to perform your usual duties due to a catastrophic injury, this benefit pays for reasonable and necessary additional expenses for someone to complete your usual duties.

**Income Replacement Benefit:** If you cannot work as the result of an auto accident, you may be eligible for basic weekly income replacement benefits of up to \$400. This benefit commences after one week.

**Indexation Benefit:** The automatic adjustment of the income replacement benefit, non-earner benefit, attendant care benefit or medical and rehabilitation benefit according to the Consumer Price Index for Canada to compensate for inflation.

**Medical and Rehabilitation Benefit:** Covers the cost of reasonable and necessary medical and rehabilitation expenses (e.g., physiotherapy, prescriptions) that are not covered by OHIP or your disability insurance plan but which are listed in the Statutory Accident benefits schedule. Other expenses not listed might be covered if they are agreed by the insurer and are seen as essential to your recovery.

**Specified Perils coverage:** Covers damage to your vehicle caused by one of the following perils: fire; theft or attempted theft; lightning, windstorm, hail or rising water; earthquake; explosion; riot or civil disturbance; falling or forced landing of an aircraft or parts of an aircraft; or the standing, sinking, burning, derailment or collision of any kind of transport in, or upon which, an insured vehicle is being carried on land or water.

**Third Party Liability:** This section of your automobile insurance policy protects you if someone else is killed or injured, or their property is damaged. It will pay for claims as a result of lawsuits against you up to the limit of your coverage, and will pay the costs of settling the claims. By law you must carry a minimum of \$200,000 in Third-Party Liability coverage but options exist to increase the minimum amount

**Tort Deductible:** The amount that is deducted from a settlement or court award for pain and suffering.

**Uninsured Automobile coverage:** Protects you and your family if you are injured or killed by a hit-and-run driver or by an uninsured motorist. It also covers damage to your vehicle caused by an identified uninsured driver.

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## What do the terms mean?

**Coverage:** The scope of protection provided under an insurance policy.

**Deductible:** An insurance deductible is the amount you have to pay for losses and damages for which you are covered before your insurance payments kick in. Raising deductibles means you'll contribute more toward the loss if you have an accident, but it can mean a lower insurance premium.

**Endorsement:** Any change made to your existing auto insurance policy that either expands or restricts coverage.

**Exclusions:** Items or conditions that are not covered by the general insurance contract.

**Minor Injury:** Minor injuries include sprains and strains, contusions and lacerations, or whiplash injuries. If you are deemed to have suffered a minor injury in an auto accident, your medical and rehabilitation benefits will be fixed at a maximum limit of \$3,500, regardless of any optional increased benefits you have purchased.

**Premium:** The amount of money that you pay for your insurance policy.

**Risk Classification:** Is a grouping of risks or policyholders with similar risk characteristics to determine rates. Typical risk classifications are based on: type of vehicle, use of vehicle, driving record of drivers, age, gender and marital status of drivers and territory.

**Tort:** A wrong that is committed by one person on another that causes injury to that person. A tort can be either intentional or unintentional. Liability insurance is mainly purchased to cover unintentional torts.

**Underwriting:** The process of selecting or rejecting risks for insurance.

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