

Understanding Ontario Auto Insurance

What's Changing

Starting July 1, 2026, Ontario is introducing changes under the Insurance Act (Ontario) that will provide Ontario drivers with more choice and control over their Statutory Accident Benefits (SABs) coverage under Ontario auto insurance policies.

Some SABs will become optional when you buy or renew your automobile insurance policy on or after July 1, 2026. Because you now have more choice, it's important to review your SABs coverage to make sure it fits your unique needs. SABs are "no-fault" which means they're available regardless of who caused the auto accident.

Before you consider making changes to your SABs coverage, it's important to review your personal and workplace benefits policies (as applicable), as they may provide similar coverage. Opting out of certain optional SABs might save you money in the short-term, but if you're in an auto accident, opting out of certain SABs may cost you more money in the long run. It's important to weigh these short-term savings against the potential long-term costs of opting out.

Although existing auto insurance policies will renew with the same coverage and limits, who is covered under policies for newly optional accident benefits will change on July 1, 2026, regardless of an auto insurance policy's renewal effective date. As a result, optional accident benefits under your auto policy will only cover the following individuals:

- The named insured
- The spouse of the named insured
- Dependents of the named insured and of the named insured's spouse
- Persons specified in the policy as drivers of the automobile

What's Staying the Same

Standard medical, rehabilitation and attendant care benefits will continue to be included in every auto insurance policy in Ontario. These benefits will help cover the cost of treatment, recovery and personal care if you're injured in an auto accident. Optional SABs—such as supplementary medical, rehabilitation and attendant care benefits, dependent care benefits, and indexation benefits—will stay optional. Starting July 1, 2026, you can still choose to add these benefits to your auto insurance policy in Ontario.

Renewing Your Auto Insurance Policy

Your auto insurance policy will renew automatically with your current coverage and limits (unless you agree with your insurer in writing to decline certain SABs or make changes to them). Starting July 1, 2026, if you purchase or renew an automobile insurance policy you can choose to remove SABs that became optional from your insurance policy, but it's important to consider how removing these benefits could impact you.

Before making any changes to your SABs coverage, speak with a licensed Ontario Broker to understand what changes to your SABs coverage may be right for you and how changes in your personal circumstances (starting a new job, going back to school, or taking on caregiving responsibilities) may impact what SABs coverage you need.

Key Considerations

If you found yourself unable to work as a result of an accident, where would your income come from?

Income Replacement is optional. Without a disability or workplace plan, you could lose your income if you can't work.

Are you the primary caregiver for a dependent such as a child, elderly parent or a person with a disability?

Caregiver benefits are no longer automatic. Opt in to help cover care costs if you become injured in an accident.

If you had a complete inability to carry on a normal life, what costs would you be unable to recover?

Non-Earner benefits provide support if you're a student or are unemployed and can't manage everyday tasks after an accident.

If you became impaired from an accident, would you need to hire someone to do your house cleaning, shoveling and yard work?

Housekeeping & Home Maintenance benefits help with cleaning and household tasks if you can't carry them out yourself.

Next Steps

Check your current insurance policy

See what SABs coverage you already have.

Look at other coverage(s) you have

Review workplace or private benefits plans including life and health insurance.

Consider your needs

Think about which SABs are right for you.

Talk to a licensed Ontario Broker

Get advice and explore your auto insurance options before making any changes to your SABs coverage.

Statutory Accident Benefits: What's Mandatory and What's Optional as of July 1, 2026

Benefit	Coverage	Mandatory or Optional	If You Opt Out
Medical, Rehabilitation & Attendant Care	Covers medical expenses, therapy and personal care for injuries from an accident, including doctor visits and physiotherapy	Mandatory	Included in every auto insurance policy
Income Replacement	Helps replace lost income if you (or someone else covered under the auto policy) is injured and loses income from not being able to work	Optional after July 1, 2026	No lost income support – may need to rely on Employment Insurance Sickness Benefits, Canada Pension Plan Disability Benefits or Ontario Disability Support Work
Caregiver	Helps cover caregiving expenses if you or another covered person is injured in an auto accident and can no longer provide care for a household member, such as a child or aging parent, who needs it	Optional after July 1, 2026	Excluded from your policy
Non-Earner	If you or another covered person is a student or is unemployed and an auto accident keeps you (or another covered person) from leading a normal life, this benefit can provide financial support while you recover	Optional after July 1, 2026	Excluded from your policy
Lost Educational Expenses	Reimburses certain costs you (or another person covered under the policy) incurred to enroll in education programs (e.g. college, university or other schooling) and are unable to attend as a result of an auto accident	Optional after July 1, 2026	Excluded from your policy
Visitor Expenses	May cover reasonable and necessary travel and lodging costs of visitors (e.g. parents or siblings) if they visit you (or another person covered under the auto policy) while you (or the other person with coverage) is in treatment or recovering from auto accident-related injuries	Optional after July 1, 2026	Excluded from your policy
Housekeeping & Home Maintenance	Helps cover costs if you or another covered person is unable to perform the housekeeping and home maintenance tasks normally done before an auto accident	Optional after July 1, 2026	Excluded from your policy
Damage to Personal Items	Covers the cost of repairing or replacing personal items like clothing, prescription glasses or hearing aids that were damaged in an auto accident	Optional after July 1, 2026	Excluded from your policy
Death	May compensate some members of your family if you (or another person covered under the policy) is killed as a result of an auto accident	Optional after July 1, 2026	Excluded from your policy
Funeral	May pay for some funeral expenses if you (or another person covered under the policy) is killed as a result of an auto accident	Optional after July 1, 2026	Excluded from your policy

Disclaimer

The descriptions of SABs in this document is a summary of the statutory accident benefits in Ontario Regulation 34/10. Do not rely on this summary alone. For full details, refer to the new SABs wordings available at fsrao.ca or speak with a licensed Ontario insurance broker.