



MIKE COLLE, MPP

Eglinton-Lawrence

Innocent Persons Insurance Recovery Act, 2017 Backgrounder

This bill seeks to amend Ontario's *Insurance Act* to ensure that innocent victims or co-insureds receive full coverage through their insurance policy should their spouse, partner, or relative carry out a criminal or intentional act leading to the loss or damage of any jointly-owned property.

PROVISIONS OF THE ACT:

- The proposed amendment would eliminate the exclusion clause in insurance policies which denies coverage to innocent co-insureds.
- Insurance companies would be required to pay out property damage claims to innocent co-insureds who are victims of criminal acts by the other individual on their policy.
- Insurance claims will be denied only to the person who intentionally caused the property damage.
- The person who is not at fault and whose property is insured under the contract would recover their proportionate interest in the lost or damaged property.
- This bill is modeled on legislation that now exists in Manitoba.

BACKGROUND ON INNOCENT INSURED:

- Currently in Ontario, spouses, partners, and family members are denied insurance coverage when lost or damaged property is the result of a criminal act carried out by a co-insured individual listed under the policy.
- Insurance policies may have more than one person named as an "insured." This means that insurance companies can deny a claim from an innocent insured if the actions of any other insured listed under the policy are deemed "intentional or criminal."

PROTECTING INNOCENT INSURED:

- At present, innocent victims are often left paying for repairs themselves or left homeless.
- The provinces of British Columbia, Alberta, Manitoba, and Quebec have laws requiring insurance companies to pay out claims to innocent insureds.
- Saskatchewan will be enacting similar legislation in 2018.
- Presently, Ontario, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut do not have protection for innocent persons.

“This loophole in our insurance legislation hits innocent victims twice.”

- MPP Mike Colle, Eglinton-Lawrence

“Ontario Association of Interval & Transition Houses welcomes the Private Members Bill, tabled by MPP Mike Colle. Loss and destruction of property are true indicators of escalating violence that so many women and their children experience on a daily basis in Ontario. Given that women most often experience violence and abuse from those closest to them, removing unnecessary exclusion clauses in insurance policies is an important step forward.”

-Marlene Ham, Provincial Coordinator, Ontario
Association of Interval & Transition Houses (OAITH)

For additional information, please contact:

Casey Richardson

Office of MPP Mike Colle, Eglinton-Lawrence

T: 416-325-1404 | E: crichardson@liberal.ola.org