

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

2ND SESSION, 41ST LEGISLATURE, ONTARIO
66 ELIZABETH II, 2017

Bill 125

**An Act to amend the Insurance Act
with respect to recovery by innocent persons**

Mr. M. Colle

Private Member's Bill

1st Reading April 26, 2017

2nd Reading

3rd Reading

Royal Assent



An Act to amend the Insurance Act with respect to recovery by innocent persons

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

1 The *Insurance Act* is amended by adding the following section:**Recovery by innocent persons**

118.1 (1) If a contract contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an insured or any other person, the exclusion applies only to the claim of a person,

- (a) whose act or omission caused the loss or damage;
- (b) who abetted or colluded in the act or omission;
- (c) who,
 - (i) consented to the act or omission, and
 - (ii) knew or ought to have known that the act or omission would cause the loss or damage; or
- (d) who is in a prescribed class.

Recovery limited to proportionate interest

(2) Nothing in subsection (1) allows a person whose property is insured under the contract to recover more than the person's proportionate interest in the lost or damaged property.

Compliance with prescribed requirements

(3) A person whose coverage under a contract would be excluded but for subsection (1) must comply with the prescribed requirements.

2 Subsection 121 (1) of the Act is amended by adding the following paragraphs:

- 13.1 prescribing classes of persons for the purposes of clause 118.1 (1) (d);
- 13.2 prescribing requirements with which persons must comply for the purpose of subsection 118.1 (3);

Commencement

3 This Act comes into force on the day it receives Royal Assent.

Short title

4 The short title of this Act is the *Innocent Persons Insurance Recovery Act, 2017*.

EXPLANATORY NOTE

The Bill amends the *Insurance Act* to limit the ability of insurance contracts to prevent recovery for loss or damage to property by certain innocent persons if the loss or damage was caused by an act or omission of another person.