

Ontario Employers No Longer Permitted To Self-Insure Long-Term Disability Benefits



One of the changes in the 2014 Ontario budget – passed on July 24, 2014 – is to amend the *Insurance Act* (Ontario) to prohibit the provision of long-term disability benefits in Ontario unless those benefits are provided through an insured arrangement with a licensed insurer. Exemptions or transitional provisions (if any) may be set out in regulation. This change will come into force on a future date to be proclaimed.

This change is similar to legislation passed by the federal government in 2012 that requires long-term disability plans for federally regulated employees to be insured. The federal legislation came into effect on July 1, 2014. The federal legislation applies on a go-forward basis, meaning that long-term disability benefits that are in pay to employees on July 1, 2014 do not have to be insured.

Employers in Ontario and federally regulated industries who currently self-insure their long-term disability benefit programs will need to consider these arrangements in light of the new requirements.

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