

Human Resources Legislative Update

Ontario Consults on Mandatory LTD Insurance Regulations

Date: January 19, 2015

On January 16, 2015, the Ontario [Ministry of Finance launched a public consultation](#) on regulations to support the new requirement to insure long-term disability benefits.

[As previously reported](#), the Ontario government passed as yet unproclaimed amendments to the *Insurance Act* requiring employers who provide their employees with long-term disability (“LTD”) plan benefits to insure the plan, on a go-forward basis, with an entity that is licensed to provide insurance under the laws of a province.

Whether all LTD plans that are provided by public and private sector provincially regulated employers will ultimately be captured by this new, mandatory requirement to insure LTD benefits remains unknown, as [the *Insurance Act* amendments](#) include provisions enabling the government to create exemptions and establish a transition period. Will, for example, exemptions be introduced that exclude from this mandatory insurance requirement those LTD plans that are sponsored by public sector employers, or LTD plans that are demonstrated to be adequately funded or secured? Also, for plans that are not excluded, will transitional rules limit the application of the insurance requirement to future LTD claims?

The Consultation appears designed to resolve these very issues through stakeholder feedback around the following three questions:

1. Are there any persons or classes of persons that the Ministry of Finance should consider exempting and if so, on what basis?
2. What are your recommendations on the duration of the transition period and other matters related to the transition and implementation process?
3. Are there any facts or issues relating to the LTD insurance requirement that you believe should be considered in the development of the regulations?

[Written submissions](#) are due by **Friday, March 6, 2015**.