[Français](http://www.ontario.ca/fr/lois/loi/90p21)

Prepaid Hospital and Medical Services Act

R.S.O. 1990, Chapter P.21

**Consolidation Period:** From October 19, 2021 to the [e-Laws currency date](http://www.e-laws.gov.on.ca/navigation?file=currencyDates&lang=en).

Last amendment: [2018, c. 8, Sched. 27](http://www.ontario.ca/laws/statute/S18008" \l "sched27s1s1).

Legislative History: 1997, c. 28, s. 225, 226; 1998, c. 18, Sched. G, s. 68; 1999, c. 12, Sched. I, s. 7; [2007, c. 7, Sched. 33](http://www.ontario.ca/laws/statute/S07007" \l "sched33s1); [2014, c. 7, Sched. 27](http://www.ontario.ca/laws/statute/S14007" \l "sched27s1); [2017, c. 20, Sched. 8, s. 120](http://www.ontario.ca/laws/statute/S17020" \l "sched8s120s1); [2017, c. 34, Sched. 17, s. 27](http://www.ontario.ca/laws/statute/S17034" \l "sched17s27); [2018, c. 8, Sched. 27](http://www.ontario.ca/laws/statute/S18008" \l "sched27s1s1).

Definitions

**1** In this Act,

“association” means any company or corporation incorporated for the purpose of establishing, maintaining and operating a hospital or medical service or providing prescription drugs on a non-profit prepayment basis, whereby any one or more of hospital, medical, surgical, nursing or dental services or provision of prescription drugs or payment therefor may be provided to persons who become subscribers with, or members of, such company or corporation, or for these and similar purposes, but does not include an insurer licensed under the Insurance Act or a pension fund or employees’ mutual benefit society incorporated under Part V of the Corporations Act; (“association”)

“Chief Executive Officer” means the Chief Executive Officer appointed under subsection 10 (2) of the *Financial Services Regulatory Authority of Ontario Act, 2016*; (“directeur général”)

“group plan” means a contract for the provision of services under this Act, under which an association provides services to insure severally the well-being of a number of individuals under a single contract between the association and an employer or other person; (“régime collectif”)

“person” includes an individual, corporation, association, partnership, organization or fraternal society; (“personne”)

“pharmacist” means a member of the Ontario College of Pharmacists; (“pharmacien”)

“prescription drug” means a drug as defined in subsection 117 (1) of the Drug and Pharmacies Regulation Act dispensed upon the prescription of a legally qualified medical practitioner or dentist to a named person, and includes such drug mixed with any other drug or substance; (“médicament délivré sur ordonnance”)

“Tribunal” means the Financial Services Tribunal continued under the Financial Services Tribunal Act, 2017. (“Tribunal”) R.S.O. 1990, c. P.21, s. 1; 1997, c. 28, s. 225; 1998, c. 18, Sched. G, s. 68; 1999, c. 12, Sched. I, s. 7 (1); 2017, c. 34, Sched. 17, s. 27; 2018, c. 8, Sched. 27, s. 1.

**Section Amendments with date in force (d/m/y)**

1997, c. 28, s. 225 (1-3) - 01/07/1998; 1998, c. 18, Sched. G, s. 68 - 01/02/1999; 1999, c. 12, Sched. I, s. 7 (1) - 22/12/1999

[2017, c. 34, Sched. 17, s. 27](http://www.ontario.ca/laws/statute/S17034" \l "sched17s27) - 01/04/2019

[2018, c. 8, Sched. 27, s. 1 (1, 2)](http://www.ontario.ca/laws/statute/S18008" \l "sched27s1s1) - 08/06/2019

Exemption

**2** Every association registered under this Act is exempt from the Insurance Act. R.S.O. 1990, c. P.21, s. 2.

Incorporation

**3** No articles of incorporation of an association under the Not-for-Profit Corporations Act, 2010 or the Business Corporations Act shall be issued without the written approval of the Chief Executive Officer. 2017, c. 20, Sched. 8, s. 120 (1); 2018, c. 8, Sched. 27, s. 3.

**Section Amendments with date in force (d/m/y)**

[2017, c. 20, Sched. 8, s. 120 (1)](http://www.ontario.ca/laws/statute/S17020" \l "sched8s120s1) - 19/10/2021

[2018, c. 8, Sched. 27, s. 2, 3](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

No association to carry on business unless registered

**4** No association shall, in Ontario, contract to furnish hospital, medical, surgical, nursing or dental service or prescription drugs, or any combination of them, on a prepayment basis or make payment therefor unless registered under this Act. R.S.O. 1990, c. P.21, s. 4.

Application for registration

**5** (1)  Every application for registration shall be made in writing to the Chief Executive Officer and shall be accompanied,

(a) by the prescribed fee;

(b) by a certified copy of the Act or other instrument of incorporation of the association and of its constitution, by-laws and regulations;

(c) by a copy of every contract or proposed contract with a hospital, physician, pharmacist and other person for the rendering of services to subscribers or members;

(d) by a copy of every form of contract or proposed contract with subscribers or members;

(e) by a certified list of rates charged or to be charged to subscribers or members together with details of the benefits that the association contracts to furnish to subscribers or members;

(f) by a copy of the balance sheet of the association and a statement of income and expenditures as of the close of its last fiscal year, certified by the president, or vice-president, and the managing director or some other principal officer of the association and reported on by its auditor;

(g) by such information or material as the Chief Executive Officer may require. R.S.O. 1990, c. P.21, s. 5 (1); 2018, c. 8, Sched. 27, s. 2.

Registration to be granted by Chief Executive Officer

(2)  The Chief Executive Officer shall grant registration to an association if he or she is satisfied,

(a) that the applicant is established as an association;

(b) that the contracts and proposed contracts with hospitals, physicians, pharmacists or other persons for the rendering of service to subscribers or members and the contracts or proposed contracts with subscribers or members are fair and reasonable;

(c) that the applicant has established and has such working capital and reserves as the Chief Executive Officer considers adequate; and

(d) Repealed: 1999, c. 12, Sched. I, s. 7 (2).

(e) that the applicant has complied with the provisions of subsection (1). R.S.O. 1990, c. P.21, s. 5 (2); 1999, c. 12, Sched. I, s. 7 (2); 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

1999, c. 12, Sched. I, s. 7 (2) - 22/12/1999

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Application for renewal of registration

**6** (1)  Every application for renewal of registration shall be made in writing to the Chief Executive Officer on or before the 21st day of March in each year and shall be accompanied by the prescribed fee and such information and material as the Chief Executive Officer may require. R.S.O. 1990, c. P.21, s. 6 (1); 2018, c. 8, Sched. 27, s. 2.

Renewal of registration

(2)  The Chief Executive Officer shall grant renewal of registration to an association if he or she is satisfied,

(a) that the contracts and proposed contracts with hospitals, physicians, pharmacists or other persons for the rendering of service to subscribers or members and the contracts or proposed contracts with subscribers and members are fair and reasonable;

(b) that the applicant has such working capital and reserves as the Chief Executive Officer considers adequate; and

(c) Repealed: 1999, c. 12, Sched. I, s. 7 (3).

(d) that the applicant has complied with subsection (1). R.S.O. 1990, c. P.21, s. 6 (2); 1999, c. 12, Sched. I, s. 7 (3); 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

1999, c. 12, Sched. I, s. 7 (3) - 22/12/1999

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Filing of proposed rate change

**7** (1)  An association shall file with the Chief Executive Officer any proposed change in rates at least thirty days prior to the effective date of the change, together with particulars as to how any such rate is made up, and shall furnish such other further information with respect thereto that the Chief Executive Officer may require. R.S.O. 1990, c. P.21, s. 7 (1); 2018, c. 8, Sched. 27, s. 2.

Order of prohibition

(2)  The Chief Executive Officer may, within thirty days of the filing with him or her of any notice of a proposed change in rates, by order prohibit the proposed change in rates if, in his or her opinion, such proposed change in rates would be excessive, inadequate, unfairly discriminatory between risks or otherwise unreasonable. R.S.O. 1990, c. P.21, s. 7 (2); 2018, c. 8, Sched. 27, s. 2.

Not applicable to group plans

(3)  Subsections (1) and (2) do not apply to group plans. 1999, c. 12, Sched. I, s. 7 (4).

**Section Amendments with date in force (d/m/y)**

1999, c. 12, Sched. I, s. 7 (4) - 22/12/1999

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Termination and renewal of registration

**8** Every registration and renewal of registration lapses on the 31st day of March in each year. R.S.O. 1990, c. P.21, s. 8.

Suspension and cancellation

**9** (1)  The Chief Executive Officer may suspend or cancel any registration upon any grounds that would justify refusal to grant registration or renewal of registration or where the association fails to comply with any provision of this Act. R.S.O. 1990, c. P.21, s. 9 (1); 2018, c. 8, Sched. 27, s. 2.

Conditional or limited registration

(2)  Any registration, or renewal of registration, may be granted by the Chief Executive Officer subject to such limitations and conditions relating to the operations of the association that the Chief Executive Officer considers necessary to give effect to this Act or for the protection of persons, subscribers or members of any association in Ontario. R.S.O. 1990, c. P.21, s. 9 (2); 2018, c. 8, Sched. 27, s. 2.

Application of s. 7, ss. 12-17

(3)  Where the registration of a registered association lapses or is suspended or cancelled and where the Chief Executive Officer considers it necessary for the protection of persons, subscribers or members, the Chief Executive Officer may designate the association as one to which this Act continues to apply and, until the designation is revoked, section 7 and sections 12 to 17 apply to such designated association in the same manner as to a registered association. R.S.O. 1990, c. P.21, s. 9 (3); 2018, c. 8, Sched. 27, s. 2.

Winding up

(4)  The Chief Executive Officer may apply to the court under section 137 of the Not-for-Profit Corporations Act, 2010 or section 208 of the Business Corporations Act, as appropriate, for an order winding up an association that has ceased issuing contracts to its members or subscribers, and sections 136 to 165 of the Not-for-Profit Corporations Act, 2010 or sections 207 to 236 of the Business Corporations Act, as the case may be, apply to the winding up. 2017, c. 20, Sched. 8, s. 120 (3); 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

[2017, c. 20, Sched. 8, s. 120 (2)](http://www.ontario.ca/laws/statute/S17020" \l "sched8s120s2) - 14/11/2017; [2017, c. 20, Sched. 8, s. 120 (3)](http://www.ontario.ca/laws/statute/S17020" \l "sched8s120s3) - 19/10/2021

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Cancellation by request of association

**10** The Chief Executive Officer may at the request of an association, evidenced as he or she directs, cancel its registration. R.S.O. 1990, c. P.21, s. 10; 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Further application for registration

**11** Despite any decision of the Chief Executive Officer, a further application for registration or renewal of registration may be made upon new or other material or where it is clear that any material circumstance has changed. R.S.O. 1990, c. P.21, s. 11; 2018, c. 8, Sched. 27, s. 2; 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Appeal

**12** An association that considers itself aggrieved by a decision of the Chief Executive Officer may appeal the decision to the Tribunal in accordance with the procedures set out in the Insurance Act. R.S.O. 1990, c. P.21, s. 12; 1997, c. 28, s. 226; 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

1997, c. 28, s. 226 - 01/07/1998

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Filing of by-laws

**13** (1)  Every registered association shall deliver to the Chief Executive Officer within one month of the passing thereof a certified copy of any by-law passed by the board of directors. R.S.O. 1990, c. P.21, s. 13 (1); 2018, c. 8, Sched. 27, s. 2.

Filing of balance sheet, etc.

(2)  Not later than four months after the expiration of its fiscal year, every registered association shall file with the Chief Executive Officer a balance sheet and a statement of income and expenditures for such fiscal year, certified by the president, or vice-president, and the managing director or some other principal officer of the association and reported on by its auditor, and such other financial statements as the Chief Executive Officer may require. R.S.O. 1990, c. P.21, s. 13 (2); 2018, c. 8, Sched. 27, s. 2.

Time for filing may be extended

(3)  On sufficient cause shown, the Chief Executive Officer may by writing extend the time for filing the statements required under subsection (2). R.S.O. 1990, c. P.21, s. 13 (3); 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

General statement of affairs

**14** (1)  Not later than four months after the expiration of its last fiscal year, every registered association shall prepare a general statement of its affairs in a form approved by the Chief Executive Officer. R.S.O. 1990, c. P.21, s. 14 (1); 2018, c. 8, Sched. 27, s. 2.

Time may be extended for preparation

(2)  On sufficient cause shown, the Chief Executive Officer may by writing extend the time for the preparation of a general statement of affairs under subsection (1). R.S.O. 1990, c. P.21, s. 14 (2); 2018, c. 8, Sched. 27, s. 2.

Statement to be attested

(3)  Every such statement shall be attested by the signature of the president, or vice-president, and the managing director or some other principal officer of the association and shall be accompanied by the auditor’s report. R.S.O. 1990, c. P.21, s. 14 (3).

Copies to subscribers on request

(4)  A copy of such statement shall be mailed or delivered without charge to any subscriber or member who requests a copy. R.S.O. 1990, c. P.21, s. 14 (4).

**Section Amendments with date in force (d/m/y)**

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Investigatory power

**14.1** The Chief Executive Officer has the same powers in respect of registered associations that the Chief Executive Officer of Financial Services has in respect of an insurer under sections 442.1, 442.2, 442.3, 443 and 444 of the Insurance Act. 1999, c. 12, Sched. I, s. 7 (5); 2014, c. 7, Sched. 27, s. 1; 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

1999, c. 12, Sched. I, s. 7 (5) - 22/12/1999

[2014, c. 7, Sched. 27, s. 1](http://www.ontario.ca/laws/statute/S14007" \l "sched27s1) - 24/07/2014

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Inspection of books, etc.

**15** (1)  The Chief Executive Officer or his or her duly authorized representative may at any time make or cause to be made an inspection of the books, documents and records of any registered association. R.S.O. 1990, c. P.21, s. 15 (1); 2018, c. 8, Sched. 27, s. 2.

Access to books, etc.

(2)  Upon any such inspection, the Chief Executive Officer or his or her duly authorized representative is entitled to free access to all books of account, cash, securities, documents, bank accounts, vouchers, correspondence and records of every description of the association, and no person shall withhold, destroy, conceal or refuse to furnish any information or thing reasonably required by the Chief Executive Officer or his or her representative under this section. R.S.O. 1990, c. P.21, s. 15 (2); 2018, c. 8, Sched. 27, s. 2.

**Section Amendments with date in force (d/m/y)**

[2018, c. 8, Sched. 27, s. 2](http://www.ontario.ca/laws/statute/S18008" \l "sched27s2) - 08/06/2019

Investments

**16** A registered association may invest its funds in the same manner and subject to the same limitations that apply to a joint stock insurance company, other than a company licensed to transact the business of life insurance, under the provisions of the Acts and the regulations that are the old investment rules for the purposes of section 431.1 of the Insurance Act, and not otherwise. 2007, c. 7, Sched. 33, s. 1.

**Section Amendments with date in force (d/m/y)**

[2007, c. 7, Sched. 33, s. 1](http://www.ontario.ca/laws/statute/S07007" \l "sched33s1) - 05/05/2008

Power to hold real property

**17** (1)  A registered association may hold real property which, having been mortgaged or hypothecated to it, has been acquired by it for the protection of its investment, and real property conveyed to it in satisfaction of debts previously contracted in the course of its business, and may from time to time sell, mortgage, lease, exchange or otherwise dispose of such real property, but the association shall sell any such real property within seven years after it has been so acquired.

Idem

(2)  A registered association may hold to its own use and benefit such real property as is necessary for the transaction of its business, or is acquired or held in good faith for building upon or improving for that purpose, and may sell, mortgage or dispose of such real property.

Power to acquire and construct building

(3)  A registered association, when authorized by its letters patent or by the Lieutenant Governor in Council, may construct on any lands held under subsection (2), or may acquire, a building larger than is required for the transaction of its business and may lease any part of the building not so required. R.S.O. 1990, c. P.21, s. 17.

Fees for registration and renewal

**18** The fee for registration or renewal of registration for an association is, where the income from subscribers or members in the previous fiscal year,

|  |  |
| --- | --- |
| did not exceed $15,000 | $10 |
| exceeded $15,000 but did not exceed $50,000 | $15 |
| exceeded $50,000 but did not exceed $100,000 | $25 |
| exceeded $100,000 but did not exceed $250,000 | $50 |
| exceeded $250,000 but did not exceed $1,000,000 | $100 |
| exceeded $1,000,000 | $200 |

R.S.O. 1990, c. P.21, s. 18.

Offence

**19** Every person not registered under this Act who contracts to furnish hospital or medical service on a prepayment basis or makes payment therefor is guilty of an offence and on conviction is liable to a fine of not more than $100,000 in the case of an individual and not more than $200,000 in the case of a corporation. R.S.O. 1990, c. P.21, s. 19.

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