

[2] The plaintiff, Dr. Pierre Obeid is a dentist with a business called Leamington Sedation Dentistry that was delisted by the defendant insurer arising from an alleged widespread billing fraud in or early 2020. That is, the defendant would no longer reimburse the plaintiff for services performed on individuals with an insurance plan issued by the defendant.

[3] The plaintiff commenced this action May 14, 2020. The action did not move forward quickly with the Statement of Defence served June 21, 2024. In the interim, the federal government launched a National Dental Care Program (“CDCP”) in 2023 and delegated its administration to the defendant.

[4] By letter dated July 5, 2024 to the plaintiffs, the defendant advised “given the decision made by Sun Life on March 26, 2020 to stop accepting claims that involve Leamington Sedation Dentistry, you are not able to participate in the CDCP or provide services to the CDCP clients” (Exhibit E, affidavit of Alyssa Allen, sworn June 11, 2025). Responding emails raised holding this action in abeyance pending the appeal of that decision, and possibly amendments to the Statement of Claim, (Exhibits F and G, affidavit of Alyssa Allen, sworn June 11, 2025).

[5] On May 7, 2025, counsel for the defendant advised plaintiffs’ counsel, by email, the appeal had been dismissed and no reasons would be provided. Plaintiffs’ counsel acknowledged receipt of that information by responding email that same day (Exhibit H, affidavit of Alyssa Allen, sworn June 11, 2025).

[6] On May 14, counsel for the defendant made the following Offer to Settle: “I have instructions to provide the following offer to settle with respect to the matter in *Dr. Pierre Obeid et al v. Sun Life Assurance Company of Canada* (the “Action”):

1. The Plaintiff shall execute a full and final release in favour of the Defendant in a form acceptable to defendant’s counsel within 10 days of accepting this offer to settle;
2. The parties shall consent to an order dismissing this Action without costs within 10 days of the acceptance of this offer to settle and the Plaintiff shall take out such dismissal order forthwith or after; and
3. This offer to settle shall [be] open for acceptance until Monday, May 19, 2025 at 5:00 p.m. Eastern Standard Time at which point it shall be revoked”.

[7] That offer was accepted by return email on May 16, 2025 stating:

“Many thanks for your e-mail of May 14, below.

By this e-mail correspondence Dr. Obeid accepts that offer to settlement.

Please send me the form of release that you contemplate” (Exhibits I and J, affidavit of Alyssa Allen, sworn June 11, 2025).

[8] The draft release was forwarded May 20, under cover of email which stated: “further to the below I attach Sun Life’s standard form of release. Please advise of any comments or have your client execute” (Exhibit N, affidavit of Alyssa Allen, sworn June 11, 2025).

[9] The draft release contained wording wide enough to raise it being used to defend any further actions by the plaintiffs to alter the defendant’s position, as administrator of the CDCP. Counsel for the plaintiff sought clarification and subsequently refused to execute the release as drafted.

[10] An application for judicial review was commenced in the Federal Court on June 5, 2025. An initial motion to dismiss that application as having no claim in law was dismissed by the Federal Court with Reasons released January 29, 2026.

ANALYSIS

[11] In submissions, counsel for the defendant relied on the plaintiffs having not raised its intention to seek judicial review of the defendant’s decision and that the Statement of Claim was issued before the CDCP had been introduced and the issues contained in the Statement of Claim were unrelated to that program. In that regard, the defendant relied on the review of the law in *Terranata Winston Churchill Inc. v. Teti Transport Ltd., et. al*, 2020 ONSC 7577 (at paragraphs 30-33) that where settlement includes an agreement to execute a full and final release, the form shall be in a “standard form” and not either complex or unusual. Importantly “the test to be applied is objective, rather than the subjective intentions of the parties to the settlement”. While it was clear the defendant’s purpose in making its settlement offer was to end all legal disputes between it and the plaintiffs, the wording of its offer referenced only the “Action”. While counsel for the plaintiffs had raised amending the Statement of Claim, no such amendment had been made as of the date of the purported settlement.

[12] To that end, I clarified the statement in the defendant’s factum (at paragraph 11) “that the CDCP and matters relating to it are irrelevant to this motion in action”. It was confirmed this was not a concession or undertaking to not rely on or utilize the draft full and final release the defendant had forwarded and were seeking to be required or deemed to be executed as part of defending the application for judicial review.

[13] Equally clear is the plaintiffs’ willingness and acceptance to forego the risk and expense in pursuing this (existing Superior Court) action but not the more recent refusal to prohibit participation in the CDCP.

[14] As part of the objective test to be applied, the defendant relied on the statement in *Royal Bank of Canada v. Sunn*, 2025 ONSC 4729 (at paragraph 38) where, as part of evaluating “the language used by the parties”, the “subjective intentions and actual states of minds are not relevant. Instead, the question is whether ‘in the eyes of a hypothetical honest, sensible business person, the parties appeared to have reached an agreement’”.

[15] I agree the state of mind of the plaintiffs, more precisely counsel for the plaintiffs is not relevant. However, I have great difficulty in concluding the parties had reached an agreement. The issue about the breadth of the proposed settlement was raised promptly and upon receipt of the defendant's draft Full and Final release.

[16] I have determined that the matter should be decided by utilizing the two step process accepted by the Court of Appeal as referenced in *Sredot v. Sredot Farms Ltd.*, 2013 ONCA 84 (at paragraph 6). First, has a settlement been found to exist. That is, was there an agreement on all essential terms. Here it is certainly arguable, on an objective basis, given the wording that same has occurred. However, at the risk of repeating, I find the use of the word "Action" in the Offer to Settle, mindful it did not contain any reference to the CDCP issue when the Offer to Settle was made, and its acceptance on that basis, sufficient to conclude a settlement was not reached.

[17] Had I found to the contrary, the second step is to address whether a concluded settlement should be enforced. On this issue, I find this to be one of the rare cases where the circumstances establish, the enforcement of the settlement would not be in the interests of justice. I prefer to and rely on Rule 1.04 which provides for the rules, (here Rule 49.09(a)) be construed to secure the determination of this proceeding on its merits.

CONCLUSION

[18] The defendant's motion is dismissed.

COSTS

[19] At the conclusion of submissions, I heard submissions which included review of the Costs Outline for the defendant uploaded as required under Rule 57.01(6). I also received a request for additional time by counsel for the plaintiff to complete their Costs Outline along with a commitment to agree on costs. To that end, and with my thanks, I was advised, in writing by counsel for the plaintiff on February 10, 2026, that the parties had agreed to costs in the amount of \$17,500 inclusive of fees, HST and disbursements in favor of the successful party.

[20] To that end, costs are fixed the amount of \$17,500, all inclusive, payable by the defendant to the plaintiff, forthwith.

Mr. Justice G. Dow

Released: April 14, 2026

CITATION: Obeid v. Sun Life Assurance Company of Canada, 2026 ONSC 856
COURT FILE NO.: CV-20-0-641015-0000
DATE: 2026-04-14

2026 ONSC 856 (CanLII)

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

DR. PIERRE OBEID and DR. PIERRE OBEID
DENTISTRY PROFESSIONAL CORPORATION

Plaintiffs/ Responding Parties

– and –

SUN LIFE ASSURANCE COMPANY OF CANADA

Defendant/ Moving Party

REASONS FOR DECISION ON COSTS

Mr. Justice G. Dow

Released: April 14, 2026