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Revised Optional Indexation Benefit Guideline, 2011 Indexation Percentages, and Revised Deductibles/Monetary Amounts under Bill 164

Bulletin

No. A-24/10
– Auto
Property & Casualty

To the attention of all insurance companies licensed to transact automobile insurance in Ontario

With this Bulletin, the Financial Services Commission of Ontario (FSCO) is releasing the following:

- revised Optional Indexation Benefit Guideline – Superintendent's Guideline No. 09/10 (Guideline);
- 2011 indexation percentage for the Optional Indexation Benefit under section 30 of the Statutory Accident Benefits Schedule – Effective September 1, 2010 (new SABS);
- 2011 indexation percentage for the Optional Indexation Benefit under section 29 of the Statutory Accident Benefits Schedule – Accidents on or after November 1, 1996 (old SABS); and
- 2011 indexation percentage and revised deductibles/monetary amounts applicable to claims under the Statutory Accident Benefits Schedule – Accidents after December 31, 1993 and before November 1, 1996 (Bill 164 SABS).

The Guideline and the 2011 indexation percentage and revised deductibles/monetary amounts applicable to claims under the Bill 164 SABS will appear in a forthcoming edition of The Ontario Gazette, in accordance with sections 268.3 (3) and 268.1 (1) of the Insurance Act.

The indexation percentage for the new SABS, old SABS and Bill 164 SABS reflects the year-over-year "Consumer Price Index for Canada (All Items)" from September 2009 to September 2010, as published by Statistics Canada.

Authority

The Guideline is issued by FSCO under section 268.3 (1) of the Insurance Act.

Revised Optional Indexation Benefit Guideline

The Guideline replaces the Optional Indexation Benefit Guidelines – No. 7/96 released on October 28, 1996.
The Guideline applies to insured persons in respect of whom the optional indexation benefit was purchased and who had accidents that occurred on or after November 1, 1996.

Indexation under the new SABS

The 2011 indexation percentage is 1.9 per cent. It is applied in accordance with the Guideline. Under the new SABS, indexation applies to named insureds, spouses of named insureds, and dependants of any of these and specified drivers, if the optional indexation benefit was purchased.

The 2011 indexation percentage applies to benefits that are required to be indexed pursuant to section 30 of the new SABS, in respect of insured persons who were involved in accidents on or after September 1, 2010.

Indexation under the old SABS

The 2011 indexation percentage is 1.9 per cent. It is applied in accordance with the Guideline. Under the old SABS, indexation applies to named insureds, spouses of named insureds, and dependants of any of these and specified drivers, if the optional indexation benefit was purchased.

The 2011 indexation percentage applies to benefits that are required to be indexed pursuant to section 29 of the old SABS, in respect of insured persons who were involved in accidents on or after November 1, 1996 and before September 1, 2010.

Indexation under Bill 164 SABS

The 2011 indexation percentage is 1.9 per cent. It applies to benefits that are required to be indexed pursuant to section 80 of the Bill 164 SABS, in respect of insured persons who were involved in accidents after December 31, 1993 and before November 1, 1996.

The 2011 indexation percentage, the revised deductibles and monetary amounts are listed on the enclosed chart, entitled 2011 Indexation Percentage, Revised Deductibles and Monetary Amounts for Automobile Insurance under the Insurance Act and Statutory Accident Benefits Schedule – Accidents after December 31, 1993 and before November 1, 1996.

Also note that certain indexed amounts under the Bill 164 SABS have been identified in the indexation schedule as possibly no longer being relevant in certain cases. Please refer to the relevant provisions in the Bill 164 SABS to determine if these indexed amounts apply to your situation.

Philip Howell
Chief Executive Officer and
Superintendent of Financial Services

December 8, 2010

Attachments:

- **Optional Indexation Benefit Guideline – Superintendent's Guideline No. 09/10**
- **2011 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule – Effective September 1, 2010**
- **2011 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule – Accidents on or after November 1, 1996**
- **2011 Indexation Percentage, Revised Deductibles and Monetary Amounts for Automobile Insurance under the Insurance Act and the Statutory Accident Benefits Schedule – Accidents after December 31, 1993 and before November 1, 1996**