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New Regulations for Service Provider Licensing and Changes to Statutory Accident Benefits Schedule – Effective September 1, 2010



Bulletin

No. A-07/13
Property & Casualty
– Auto

To the attention of all insurance companies licensed to transact auto insurance in Ontario and all health care providers

This Bulletin highlights new regulations governing the licensing of service providers who invoice auto insurers directly, and regulatory amendments to the Statutory Accident Benefit Schedule – Effective September 1, 2010 (SABS).

The service provider licence regulations are expected to be published in the January 4, 2014 edition of The Ontario Gazette and will be come into force on proclamation of the corresponding legislative provisions.

The SABS amendments are expected to be published in the January 4, 2014 edition of The Ontario Gazette. The in-force date of the SABS changes is February 1, 2014.

I. Service Provider Licensing

Recent amendments to the Insurance Act and the Financial Services Commission of Ontario Act, 1997 give authority to the Financial Services Commission of Ontario (FSCO) to license service providers who invoice auto insurers and oversee their business practices.

The Insurance Act amendments provide that insurers are not permitted to make payments for listed expenses directly to a person or entity who does not hold a service provider's licence at the applicable time, subject to any exceptions prescribed by regulation. Insurers can continue to reimburse insured persons for listed expenses paid by insured persons.

The legislation sets out a framework for licensing service providers by FSCO. This includes the requirement for service providers to designate a principal representative to exercise prescribed powers and duties, and for FSCO to maintain a public register of licensees and former licensees.

This legislation also provides that holders of a service provider's licence are required to comply with such standards as may be prescribed by regulation with respect to their business systems and practices in connection with statutory accident benefits, and to comply with such standards as may be prescribed with respect to matters of integrity in the management of the licensee's operations.

Summary of Service Provider Licensing Regulations

- Service Providers – Licensing (O. Reg. 348/13)
 - *A regulation that sets out service provider licensing eligibility requirements, including grounds for unsuitability*
- Service Providers – Principal Representatives - (O. Reg. 349/13)
 - *A regulation regarding eligibility criteria and duties of the principal*

NOTE: The bulletins that are posted on this website are provided for historical reference purposes. The information in these bulletins is accurate on the date the information is published, but is subject to change and may be replaced by more recent bulletins.

An order that is made regarding a licence holder reflects a situation at a particular point in time. The status of a licence holder can change. Readers should check the current status of a person's or entity's licence on the [Licensing Link](#) section of FSCO's website. Readers may also wish to contact the person or entity directly to get additional information or clarification about the events that resulted in the order.

These bulletins may include forms that are no longer up-to-date or accurate. Readers should visit the [forms](#) section of the FSCO website, to ensure they are using the most recent version of a FSCO form.

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- Service Providers – Public Registry (O. Reg. 350/13)
 - *A regulation prescribing information that is contained in the public registry of service providers maintained by the Financial Services Commission of Ontario.*

Future Service Provider Licensing Regulations

Future regulations will be necessary to operationalize the new licensing regime. The application process is planned to begin in the spring of 2014 and the regime is planned to become fully operational in the fall of 2014.

II. SABS

Summary of SABS Changes

The amendments to the SABS:

- provide that a pre-existing condition referred to in s.38 (3) (c) (i) (regarding the Minor Injury Guideline) must be documented by a health practitioner prior to the accident;
- limit attendant care benefits to actual economic loss incurred by friends or family members in the provision of attendant care; and
- clarify that an election for income replacement, non-earner or caregiver benefits is final regardless of any change in circumstances, except if a claimant is subsequently determined to have sustained a catastrophic impairment.

This regulation has been amended by O. Reg. 347/13.

Effective Date

The SABS amendments are effective February 1, 2014.

Guideline and Form Changes

FSCO will also be releasing consequential changes to the Minor Injury Guideline and the Treatment and Assessment Plan (OCF-18) in January 2014 to reflect these regulation amendments.

III. MORE INFORMATION

The new SABS amendments can be found at www.e-laws.gov.on.ca , as can the new regulations governing service providers.

Subscribe to FSCO's monthly [Service Providers e-Newsletter](#) to receive important service provider licensing framework updates by email.

You're also encouraged to visit FSCO's website at: www.fSCO.gov.on.ca/en/service-providers for service provider licensing regime updates and frequently asked questions and answers.

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December 19, 2013