2016 Automobile Insurance Legislated and Regulatory Adjustments and Optional Indexation Rates Under the Statutory Accident Benefit Schedule

Bulletin

No. A-10/15

Property & Casualty

– Auto

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

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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.

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

- the 2016 monetary thresholds and deductibles for determining non-pecuniary tort awards under the Insurance Act and O. Reg. 461/96, Court Proceedings For Automobile Accidents That Occur On Or After November 1, 1996
- the 2016 indexation percentage for the Optional Indexation Benefit under section 30 of the Statutory Accident Benefits Schedule – Effective September 1, 2010,
- the 2016 indexation percentage for the Optional Indexation Benefit under section 29 of the Statutory Accident Benefits Schedule – Accidents on or after November 1, 1996 (Bill 59 SABS), and
- the 2016 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).

In accordance with sections, 268.1 (1) and 268.1 (3) of the Insurance Act (Act), the indexation percentage and revised deductibles/monetary amounts applicable to the Bill 164 SABS will appear in a forthcoming edition of The Ontario Gazette. Section 267.5 (8.5) of the Act also requires the publication in the Ontario Gazette of the revised monetary thresholds for the application of the tort deductible before the 1st of January.

The indexation percentage for adjusting the monetary thresholds and deductibles, and the amounts under the Statutory Accident Benefits Schedule – Effective September 1, 2010, Bill 59 SABS and Bill 164 SABS reflects the year-over-year "Consumer Price Index for Canada (All Items)" from September 2014 to September 2015, as published by Statistics Canada.

Revised Monetary Thresholds and Deductibles for Non-Pecuniary Tort Awards

The monetary threshold beyond which the deductible amount does not apply is adjusted from $121,799 to $123,016.99, in the case of damages for non-pecuniary loss from January 1, 2016 until December 31, 2016.

The monetary threshold beyond which the deductible amount does not apply is adjusted from $60,899 to $61,507.99, in the case of damages for non-pecuniary loss under clause 61 (2) (e) of the Family Law Act from January 1, 2016 until December 31, 2016.

The deductible for non-pecuniary loss when a tort award does not exceed the monetary threshold is adjusted from $36,540 to $36,905.40, in the case of damages from January 1, 2016 until December 31, 2016.

The deductible for non-pecuniary loss when a tort award under clause 61 (2) (e) of the Family Law Act does not exceed the monetary threshold is adjusted from $18,270 to $18,452.70, in the case of damages from January 1, 2016 until December 31, 2016.

Indexation Under the Statutory Accident Benefits Schedule – Effective September 1, 2010

The 2016 indexation percentage is 1.0 per cent. It is applied in accordance with the Optional Indexation Benefit Guideline. The indexation applies to named insureds, spouses of named insureds, dependants of any of these and specified drivers, if the optional indexation benefit was purchased.

The 2016 indexation percentage applies to benefits that are required to be indexed pursuant to section 30 of the Statutory Accident Benefits Schedule – Effective September 1, 2010 in respect of insured persons who were involved in accidents on or after September 1, 2010.

Indexation Under the Bill 59 SABS

The 2016 indexation percentage is 1.0 per cent. It is applied in accordance with the Optional Indexation Benefit Guideline. Under the Bill 59 SABS, indexation applies to named insureds, spouses of named insureds, dependants of any of these and specified drivers, if the optional indexation benefit was purchased.

The 2016 indexation percentage applies to benefits that are required to be indexed pursuant to section 29 of the Bill 59 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 2016 indexation percentage is 1.0 per cent. It applies to monetary amounts that are required to be raised 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 2016 indexation percentage, the revised deductibles and monetary amounts are listed on the enclosed chart, entitled 2016 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.

Brian Mills
Chief Executive Officer and
Superintendent of Financial Services

December 16, 2015

Attachments:

1. 2016 Monetary Thresholds and Deductibles for Non-pecuniary Tort Awards under the Insurance Act and Court Proceedings For Automobile Accidents That Occur On Or After November 1, 1996 (O.Reg. 461/96) Size: ## kb
2. 2016 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule – Effective September 1, 2010
3. 2016 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule – Accidents on or after November 1, 1996
4. 2016 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

2016 Monetary Thresholds and Deductibles for Non-Pecuniary Tort Awards Under the Insurance Act and Court Proceedings For Automobile Accidents That Occur On Or After November 1, 1996 (O. Reg. 461/96)

MONETARY THRESHOLDS			
Section reference in the Insurance Act	**Description**	**Amount August 1, 2015 to December 31, 2015**	**Amount 2016**
267.5(8.3)	Non-pecuniary loss	$121,799	$123,016.99
267.5(8.4)	Actions under the Family Law Act	$60,899	$61,507.99

DEDUCTIBLE AMOUNTS			
Section reference in Court Proceedings For Automobile Accidents That Occur On Or After November 1, 1996 (O. Reg. 461/96)	**Description**	**Amount August 1, 2015 to December 31, 2015**	**Amount 2016**
5.1(1)	Non-pecuniary loss deductible	$36,540	$36,905.40
5.1(2)	Family Law Act deductible	$18,270	$18,452.70

2016 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule – Effective September 1, 2010

The 2016 indexation percentage is 1.0 per cent. This indexation percentage is to be applied to the amounts to be indexed on January 1, 2016, in accordance with the Optional Indexation Benefit Guideline for insured persons in respect of whom the optional indexation coverage was purchased and who had accidents that occurred on or after September 1, 2010.

2016 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule - Accidents on or after November 1, 1996

The 2016 indexation percentage is 1.0 per cent. This indexation percentage is to be applied to the amounts to be indexed on January 1, 2016, in accordance with the Optional Indexation Benefit Guideline for insured persons in respect of whom the optional indexation coverage was purchased and who had accidents that occurred on or after November 1, 1996 and before September 1, 2010.

2016 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

INDEXATION PERCENTAGE			
Section reference in the Insurance Act	**Description**	**Amount 2015**	**Amount 2016**
268.1	indexation percentage	2.0%	1.0%

DEDUCTIBLE AMOUNTS			
Section reference in the Insurance Act	**Description**	**Amount 2015**	**Amount 2016**
267.1(8)3	non-pecuniary loss deductible	$14,700.27	$14,847.27
	Family Law Act deductible	$7,350.15	$7,423.65

MONETARY AMOUNTS			
Section reference in the SABS	**Description**	**Amount 2015**	**Amount 2016**
10(9)	maximum weekly income replacement benefit **	$1,483.41	$1,498.24
15(5)	average Weekly Earnings for Ontario	$938.69	$962.12
16(1)(a)	lump sum benefit for each year of elementary school	$2,966.75	$2,996.42
16(1)(b)	lump sum benefit for each year of secondary school**	$5,933.51	$5,992.85
	lump sum benefit for each semester of secondary school**	$2,966.75	$2,996.42
16(1)(c)	lump sum benefit for each year of post-secondary school**	$11,867.06	$11,985.73
	lump sum benefit for each semester of post-secondary school**	$5,933.51	$5,992.85
18(5)	weekly caregiver benefit for first person	$370.83	$374.54
	weekly caregiver benefit for each additional person	$74.12	$74.86
28(4)	maximum weekly loss of earning capacity benefit	$1,483.41	$1,498.24

MONETARY AMOUNTS			
Section reference in the SABS	**Description**	**Amount 2015**	**Amount 2016**
32(5)	maximum sum of weekly loss of earning capacity benefit and weekly supplement	$1,483.41	$1,498.24
46(1)	maximum limit on supplementary medical benefits and rehabilitation benefits**	$1,483,379.20	$1,498,212.99
47(4)	maximum monthly attendant care benefit (all insureds)	$4,450.14	$4,494.64
47(5)	maximum monthly attendant care benefit (catastrophic injuries)	$8,900.28	$8,989.28
47(6)	maximum monthly attendant care benefit (multiple, catastrophic injuries)	$14,833.78	$14,982.12
47(7)	maximum monthly attendant care benefit (severe brain injuries with violent behaviour)	$14,833.78	$14,982.12
50(6)	hourly rate for personal attendant care (when using Form 1)	$12.98	$13.11
	hourly rate for skilled attendant care (when using Form 1)	$20.76	$20.97
51(1)(b)	death benefit to spouse where insured would not have qualified for income replacement benefits	$74,168.94	$74,910.63
51(4)(a)	death benefit to dependant	$14,833.78	$14,982.12
51(4)(b)	death benefit to former spouse	$14,833.78	$14,982.12
51(5)	death benefit where insured was a dependent	$14,833.78	$14,982.12
51(8)	minimum death benefit to spouse	$74,168.94	$74,910.63
	maximum death benefit to spouse	$296,675.84	$299,642.60
52(2)	funeral benefit	$8,900.28	$8,989.28
54(4)	weekly dependant care expenses for first dependant	$111.25	$112.36
	weekly dependant care expenses for each additional dependant	$37.10	$37.47
54(5)	maximum for weekly dependant care expenses	$222.50	$224.73

**The Superintendent continues to index these amounts as required by law but some indexed amounts, as specified by a double asterisk in the chart, may no longer be relevant in certain cases. Please refer to the specific provisions in the Bill 164 Statutory Accident and Benefits Schedule to determine if these indexed amounts apply to your situation.