

Financial Services Commission of Ontario: Recent Amendments to SABs Schedule and Regulations

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The Financial Services Commission of Ontario (FSCO) released a new bulletin (A14-14), entitled “Amendments to the Statutory Accident Benefits Schedule, Service Provider Regulations, Administrative Penalties and Eligibility for Transportation Expenses”, on December 1, 2014.

This bulletin summarizes regulation amendments to the statutory accident benefits insurance system that are effective December 1, 2014 and January 1, 2015.

The link to the bulletin is: <https://www.fSCO.gov.on.ca/en/auto/autobulletins/2014/Pages/a-14-14.aspx>

In the bulletin, FSCO highlights the following changes:

- **Licensed and Unlicensed Providers:** Under the new licensing regime, both licensed and unlicensed service providers can deliver goods and services to claimants. Providers will now be licenced by FSCO, and these licensed providers will be able to receive payment directly from insurers. On the other hand, insurers are prohibited from paying an unlicensed service provider directly; instead, the claimant will have to compensate the unlicensed provider. The claimant will then have to submit a hard copy of an invoice, as they would for any other application for expenses, for payment by the insurer.
- **Interest on Overdue Payments:** Before January 1, 2015, the interest rate on overdue payments was calculated at 1% per month, compounded monthly. The bulletin advises that amendments have changed the applicable interest rate and its application when there exists a dispute. The rate remains at 1% per month, compounded monthly, only until mediation is commenced; at this point, the interest rate changes to the applicable prejudgment rate from the *Courts of*

Justice Act, and accrues at that rate until settlement. That rate currently stands at 1.3%.

- **Listed Expenses:** Once a file has been settled on a full and final basis, a licensed service provider can seek payment of listed expenses from the claimant or anyone other than the insured.
- **Travel Expenses:** FSCO cautions that many insurers are improperly paying for the cost of a service provider to travel to the claimant's location to provide treatment – the definition of an “authorized transportation expense” does not include travel for service providers.

These amendments, though varied, are useful for remaining abreast of the dynamic field of automobile insurance.

Rogers Partners LLP actively practices in the insurance field, regularly appearing before FSCO and at other forums for our industry clients.