

Auto Injury Insurance Review

SGI's Report and Recommendations

October 2015

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Background

When the No Fault auto injury program was introduced in Saskatchewan in 1995, the legislation required a review after five years. A full review was completed in 2000 and changes to the legislation were introduced in 2002. The ability for customers to choose No Fault Coverage or Tort Coverage was introduced in 2003.

While claim surveys indicate the majority of customers are satisfied with the injury program, SGI wanted to ensure benefits and coverage were kept up-to-date and that the program continued to effectively meet customers' needs. The Saskatchewan Trial Lawyers' Association also had been asking for a review.

SGI began the review by requesting input and feedback from employees who work directly with the program, as well as more than 11,000 customers who either had a current or recent injury claim. Twenty stakeholder groups (Appendix A), including healthcare and other service providers, as well as the legal community, were also invited to submit their feedback on the program.

SGI examined all of this input and put together a package of discussion items based on ideas or issues that were most often raised by those who provided feedback, and those that offered the greatest benefit to customers. In addition, requests for options in injury coverage had been brought forward by the Motorcycle Review Committee (Appendix B), which was formed in 2013 to address the concerns of motorcyclists regarding their basic vehicle insurance rates. Those suggestions were deferred to this overall injury coverage review and became part of the discussion package.

Prior to seeking broad public feedback on the discussion points, SGI formed an Injury Review Committee, a cross-section of people representing customers and key stakeholder groups (Appendix B).

The committee was not tasked with making recommendations regarding potential changes to the program; rather, the committee provided an opportunity to discuss the ideas that had been brought forward in greater detail, and from a wide range of perspectives. While the committee did have influence in helping SGI to refine the package of discussion items that was put forward for public input, it is important to note that the recommendations in this report are SGI's, and do not necessarily reflect the views of any or all committee members.

Based on the extra layer of input from the committee, SGI refined the options that had been put forward into a package of discussion items for public feedback. There were also a number of suggestions that SGI plans to implement that were not put forward to the public for

feedback, as they were suggestions that just made sense, or that SGI did not foresee anyone objecting to. Some options did not move forward at all, as it was clear there was no support for those changes from customers, stakeholders or members of the committee.

The consultation survey was available on SGI's website from Nov. 13 to Dec. 8, 2014. Paper copies were also available by request. In total, 842 people provided input through the online survey, and 26 paper copies were submitted.

Ideas put forward for public consultation

The ideas put forward for consultation were divided into six categories:

- Options for motorcycles
- Discount for retirees
- Ability to sue within No Fault Coverage
- Limited businesses
- Appeal process
- Coverage improvements and clarifications

Options for motorcycles (No Fault Coverage)

The options in this section are intended for motorcycles only. Because motorcycle riders don't have a vehicle around them or protection like seatbelts and airbags, they can suffer more serious injuries if they're involved in a collision.

Almost three-quarters of the costs SGI pays as a result of motorcycle crashes are for injury benefits. By comparison, less than one-quarter of the costs for passenger vehicle collisions are for injury benefits. The significant injury costs are why motorcycle owners pay more for insurance. They've asked for options for lower injury coverage to help lower their motorcycle insurance rates.

These options aren't being considered for passenger vehicles at this time because the impact on insurance rates would be very small – less than \$10 per year in most cases, because injury coverage makes up a much smaller portion of the overall rate for a passenger vehicle.

Current coverage:

Motorcycle riders injured in a collision are entitled to the same benefits they would be if they are injured in a four-wheel vehicle, either No Fault Coverage or Tort Coverage depending on what they've chosen for themselves (see Appendix C for an outline of benefits under both programs).

Options:

1. Provide all motorcycle riders (both operators and passengers) who have chosen No Fault Coverage with a different, lower package of injury benefits than they have today – estimated savings of 7-20%

2. Allow motorcycle owners to choose between the lower package of No Fault benefits and the package of No Fault benefits they have today (and pay the difference in cost) – estimated savings of 4-12%
3. Provide all motorcycle owners with a package of injury benefits the same as what Tort Coverage provides (except unlike the actual Tort product, they would not have the ability to sue for pain and suffering in most cases, so the rates would be lower); allow them to choose the full package of No Fault benefits they have today (and pay the difference in cost) – estimated savings of 20-30%
4. Give motorcycle owners choices in the amount and types of injury coverage they purchase for their bike – estimated savings of up to an average of 15%

Considerations:

- Where choice is offered, motorcycle owners may choose benefits and benefit levels based on price, rather than on what best meets their needs, and find out after they're injured they don't have enough coverage.
- The cost savings are for a year-long registration. Most motorcycle owners register their bikes for only part of the year, often for only five or six months, so their savings would be about half of the amounts given.
- Motorcycle owners who opt for the reduced package of No Fault benefits would only get the reduced benefits when they're at fault for the collision, including single-vehicle crashes. In collisions with other vehicles where they're not at fault, they'll receive full No Fault benefits.
- With less coverage, customers would need to take a more active role in understanding their injury insurance and how things like marriage, divorce, children, career/employment changes, retirement, etc., impact their need to buy more injury insurance.
- Injured customers with employer or private medical/disability plans may have other coverage available. Private and employer medical/disability programs would likely raise premiums because they would pay out more often, or they may choose to not offer coverage to those injured in a motorcycle collision at all.

Committee discussion:

Only one injury review committee member is a motorcycle rider, and the other members expressed that they weren't comfortable providing feedback on motorcycle-specific topics. Since the idea of changing No Fault Coverage for motorcycles was first raised by the Motorcycle Review Committee (MRC), a group of representatives from the motorcycle community or with an interest in motorcycle injury insurance, SGI decided it was best to meet with that group once again to discuss these options. The member from the Injury Review Committee who is a motorcycle rider also attended.

The majority of the MRC members indicated there was an appetite for more choice regarding injury coverage for motorcycles, as long as there were significant cost savings as a result. There were, however, differing opinions on how much choice should be offered. Some members were concerned that riders would choose coverage based on the lowest price and may end up under-insured, while others thought riders needed to take responsibility for ensuring they were adequately covered and it would be their own fault if they weren't. The insurance broker on the committee had significant concerns about the amount of choice, in particular the option allowing customers to pick types and levels of benefits, due to both the burden this would put on brokers to explain to customers, as well as customers' ability to understand this complex subject. Some committee members expressed that they didn't have a good comfort level with choosing benefits for themselves, and thought others might feel the same. Others said they would be very comfortable selecting their own coverage. The committee indicated they thought it was important for people to be able to keep the same benefits they have today if they wanted, but thought all options discussed should be put forward to the public for their input.

SGI met a second time with the MRC to share the results of the public consultation, and the MRC's overall message was essentially that SGI needed to implement some kind of choice, but to keep it simple.

Survey results:

Like the MRC members, respondents to the public survey clearly indicated a desire for more choice within the current No Fault Coverage, with approximately eight out of 10 motorcycle-riding respondents supporting options that enable choice. Conversely, only half of motorcyclists were supportive of introducing a lower package of No Fault benefits for all riders and a similar proportion were supportive of reducing No Fault benefits to Tort levels.

Although there is strong interest in having more choice within the current No Fault Coverage, motorcyclists made it very clear that it is important that they continue to have the ability to maintain benefits as they are today. When the option of lowering injury benefits to Tort

Coverage levels for motorcycles was presented, 85% of motorcyclists indicated that they would like the option to be able to pay the difference to keep the No Fault benefits offered today. Similarly, when asked which income, permanent impairment and death benefit levels would be preferred, approximately four out of 10 motorcyclists felt that the current benefit levels for each should remain the same.

The comfort level in choosing injury benefits (and benefit amounts) was also found to be mixed among motorcyclists. Although 43% of motorcyclists indicated they would be comfortable choosing their own injury benefits and benefit amounts, an additional 43% said they would be uncomfortable doing so.

SGL's recommendation:

SGL recommends providing all motorcycle owners who select No Fault Coverage with a choice between a level of benefits equivalent to what is provided under the Tort product (but without the ability to sue in most cases) and maintaining current No Fault benefits. SGL views this as a compromise between providing motorcycle owners with the ability to lower their coverage, and their premium with it, while still ensuring that all motorcyclists continue to get some level of coverage, making it less likely that customers or their families will end up relying solely on government services. This option and the option providing a lower level of No Fault benefits are very similar, but this option provides greater potential premium savings for motorcycle owners because it offers the lowest level of benefits. This option is more straightforward for motor licence issuers, who will need to explain coverage options to motorcycles owners at the time of registration. This is also much simpler to implement from a systems and administration perspective.

This will mean motorcycle owners will have three injury options to choose from to meet their needs:

1. No Fault Coverage
2. Tort Coverage
3. Lower no-fault benefits (equal to Tort benefit levels, but without the ability to sue in most cases)

Alternatives:

- a. Provide the ability for motorcycle owners to choose type and level of coverage they want
This is the most complex option offered, from a customer choice and education perspective as well as a systems and administration perspective. Significant computer system changes (with associated costs) would be required. It also doesn't provide as much potential for savings for motorcycle owners as the recommended option.

- b. Provide all motorcycle riders (both operators and passengers) who have chosen No Fault Coverage with a different, lower package of injury benefits

While this option offers significant cost savings, motorcycle owners clearly indicated they wanted choice, but that the choice should include the ability to keep the same level of benefits they have today if that is their preference. If this option were implemented, reduced coverage would be mandatory for all riders, not just owners.

Discount for retirees (No Fault Coverage)

Customers age 65 or older pay the same rate for their basic injury insurance as everyone else, even though they aren't eligible to receive income benefits (in most cases).

SGL could implement a discount for retirees equal to the portion of their rate paid for income benefits. For passenger vehicles this would be an average of \$20 to \$30 per year. For motorcycles it would be considerably larger, averaging between \$257 and \$354 for a full year of plate insurance for every motorcycle registered. This is because injury costs, including income benefits, make up a much larger portion of a motorcycle rate than a passenger vehicle rate.

Options:

1. Allow those 65 and older to choose to receive a discount, and give up their income benefits
2. Allow retirees at any age to choose to receive a discount, and give up their income benefits
3. Automatically give a discount to everyone at age 65
4. Don't provide this discount (status quo)

Considerations:

- The rates SGL charges for the basic insurance customers buy with their licence plates are designed to break even. A discount would mean SGL collects less money, but the amount paid out in claims wouldn't go down – because retirees don't receive income benefits today. That means the rates for all other vehicles would need to increase to cover a retiree discount – about 0.4 to 0.6% for passenger vehicles.
- For motorcycle owners, this would drive up costs for riders under retirement age because of the large portion of their rate that goes to income benefits. Their increase would be in the range of 3-4%.

- Some people choose to retire before age 65 and others choose to work well past age 65. A discount at age 65 won't fit everyone's circumstances.
- Another avenue for retired motorcycle owners who wish to lower their premiums is to opt for the lower package of No Fault benefits outlined in the preceding recommendation.

Committee discussion:

This idea originated with the Motorcycle Review Committee (MRC) so it was also discussed when SGI met with them to discuss the other injury coverage options. Some on the MRC were very supportive, as they believed motorcycle owners shouldn't have to pay for a benefit they can never receive. Some were lukewarm after learning it would mean higher rates for non-retirees. A motorcycle dealer was concerned this discount could negatively impact sales of motorcycles in the province, because people under 65 would be paying more for their motorcycle insurance.

The Injury Review Committee also discussed this option, as it would impact more than just motorcycles. The committee had discussions around whether the discount should be elected, either at a certain age or any age, or provided automatically. The committee was supportive of putting this forward for public input.

Committee Impact: The decision to put three options forward for public input on how SGI should administer the retiree discount, if implemented, was a suggestion from the Injury Review Committee.

Survey results:

While 60% of respondents initially indicated support for this concept, support dropped to only 32% once informed it would result in rate increases for everyone else. Support for a retiree discount was weakest among non-motorcycle riders, with only 23% showing support after being informed that it would result in a rate increase for other vehicle owners.

SGI's recommendation:

SGI does not recommend a retiree discount, given that only three of 10 respondents supported the idea, once they understood that it would result in an increase for all motorists to fund the discount.

Alternatives:

a. Implement a retiree discount

If a discount is to proceed, SGI prefers the option providing the ability for customers to choose the discount starting at age 65. This would ensure that it is a retiree discount, not simply a method to reduce premiums. It would also allow those who continue to work after age 65 to choose to pay for income coverage. An eligibility requirement of a minimum 65 years of age is consistent with SGI's administration of income benefits.

Ability to Sue within No Fault Coverage

Customers with No Fault Coverage get a package of benefits designed to cover the majority of their expenses if they're injured in an auto crash. When someone else is found responsible for the collision, the customer can sue them for any expenses they have that aren't covered by the benefits they receive. The customer can't sue for pain and suffering, except in very limited circumstances.

Tort Coverage is intended for customers who would prefer to have the ability to sue if they're injured and someone else is responsible for the collision.

Two ideas have been raised regarding the ability to sue under No Fault Coverage. One is about limiting when a No Fault customer can sue for expenses not covered, to contain costs and keep rates lower. The second is about whether the limited ability to sue for pain and suffering within No Fault Coverage should be expanded in cases where the driver responsible for the collision committed a criminal act.

1. Determining when a customer can sue for rehabilitation costs

No Fault Coverage includes comprehensive medical and rehabilitation benefits up to \$6.6 million. Within that \$6.6 million of coverage, there are limits on the amounts that can be paid for certain things. For example, if a customer is unable to care for their yard themselves because of their injury, they can receive up to \$23 per week to hire someone to do it for them. If they're able to do some yard work, but not all of their yard work, they can receive a portion of the \$23 per week to cover the part they cannot do.

If SGI has decided the customer isn't eligible to have a specific cost covered and they disagree, they can take their case to the Automobile Injury Appeal Commission or to the court.

In 2012, a court ruling said No Fault customers injured in a collision can sue the responsible driver for:

- a) Rehabilitation expenses not covered by the No Fault program. (For example, SGI covers the cost of treatments that have been tested and proven to help people recover from an injury. But it doesn't cover costs for new treatments that have no associated research to prove they help people recover from an injury. This ruling means that SGI may now have to cover the costs of unproven treatments.)
- b) If a customer is not eligible for the full amount on a specific item – using the yard work example above, the maximum is \$23 per week, and SGI is paying the customer \$10 per week because they're able to do some of the work themselves – the court ruling said the customer can sue the person responsible for their collision for the difference. Using the yard work example, that person could sue for the \$13 difference between \$10 and \$23 per week.

Options:

1. Amend the legislation to prevent lawsuits for expenses not covered under the program and for situations where the full amount allowed for a specific item has not been paid.
2. Leave legislation as is.

Considerations:

- The court ruling means that an injured person who wants to have one of these costs covered has a number of options.
 - They can still use the existing appeal process.
 - They can sue the person responsible for the collision.
 - They can both launch an appeal and sue the person responsible for the collision.That means the customer responsible for a collision can now have a lawsuit filed against them for these types of costs. This would not have happened before the 2012 ruling unless the person wishing to sue reached their maximum coverage limit.
- If the amounts for living assistance benefits are changed to reflect current actual costs, and a process is put in place to ensure they stay current, as outlined in a following option (Improving living assistance benefits), many discrepancies will be addressed and this becomes less of an issue.

- Before the 2012 court ruling, customers were able to sue when their actual expenses are more than the limit for any specific item within the coverage. They were also able to sue if their total expenses go above the \$6.6 million total benefit. That didn't change with this court ruling, and it wouldn't change if either of the two options above was implemented.

Committee discussion:

One committee member was strongly opposed to any changes to this legislation as he believed SGI should follow the interpretation of the courts. Other committee members expressed that they didn't feel they understood this item well enough to provide an informed opinion, and were concerned that when this was put forward for public consultation, that the public may not understand it either. The committee wanted to ensure it was clear that any recommendation on this issue was SGI's and not the committee's.

Survey results:

Six out of 10 respondents indicated that they believe someone with No Fault Coverage should be able to sue the person responsible for the collision for rehabilitation expenses that aren't covered by SGI. Many who feel they should have the ability to sue commented that a person injured in a collision (but not at fault) should not have to incur rehabilitation expenses, but instead the person responsible for the collision should be held accountable. Comments indicate that some respondents thought those injured wouldn't get any medical and rehabilitation benefits unless they could sue. They didn't understand that injured No Fault customers actually have access to a wide range of medical and rehabilitation benefits, and this change applied only to amounts above the benefits already provided.

SGI's recommendation:

SGI recommends amending the legislation to protect the integrity of the No Fault program by preventing these lawsuits. Adding avenues for tort actions erodes the premise of a no-fault program. If customers want the ability to sue for additional compensation, SGI offers a quality Tort product for that purpose.

Customers who disagree with SGI's benefit decisions have avenues for appeal – the Automobile Injury Appeal Commission or Court of Queen's Bench – that do not involve the at-fault customer. The ability to bring a tort action in addition to those appeal avenues exposes customers to lawsuits that were not intended within the no-fault program. Injured customers have begun to file tort actions. If successful, these actions will seriously undermine the long-term viability of the No Fault program, similar to the experience seen in Ontario.

Alternatives:

a. Leave legislation as is

SGI feels strongly that if this issue is not addressed, the future of the No Fault program is at risk.

2. Allowing lawsuits when the at-fault driver dies

It is unusual for a no-fault program to allow lawsuits for pain and suffering or for bereavement damages. Just over a decade ago, Saskatchewan's no-fault program was changed to allow lawsuits for pain and suffering, and for bereavement damages, in very limited circumstances – when a driver is criminally convicted of being impaired or they get a criminal conviction along with intentionally causing injury or death. The change was made to provide an extra deterrent to impaired driving or to using a vehicle to harm someone – and to add an extra layer of accountability if you do either of those things and injure or kill someone.

Note that, when someone is able to sue for pain and suffering or bereavement damages under No Fault Coverage, those amounts are in addition to all other benefits they're eligible for (income, medical and rehabilitation, permanent impairment, death benefits, etc.).

Currently, a customer can sue for pain and suffering, or their family can sue for bereavement damages, only if the person responsible for the collision is convicted of one of the following:

- When they relate to an impaired driving incident resulting in injury or death:
 - Impaired driving
 - Exceeds .08 blood alcohol content
 - Refusal to provide breath sample
- When the driver is found to have intentionally caused injury or death in conjunction with the offence:
 - Murder
 - Manslaughter
 - Attempt to commit murder
 - Assault
 - Assault causing bodily harm
 - Assault with a weapon
 - Aggravated assault
 - Unlawfully causing bodily harm
 - Dangerous driving

If the driver responsible dies in the collision, no charges are laid, there is no conviction and no ability to sue. Some customers believe this is unfair.

Options:

1. Allow lawsuits for pain and suffering and/or bereavement damages if the driver responsible dies in the collision and there is evidence that the driver was impaired (for example, the blood alcohol readings from the autopsy and witness reports).
2. Allow lawsuits for pain and suffering and/or bereavement damages if the responsible driver dies in the collision, it is proven the driver intended to harm someone and there is evidence that would have supported a conviction for any of the other listed offences (dangerous driving, assault, murder, etc.) had the driver lived.

Considerations:

- If someone receives a pain and suffering or bereavement payment, SGI normally recovers this amount from the responsible driver. If this change is implemented and the responsible driver dies, SGI could recover only from his or her estate, which may negatively impact their family.
- Currently, if there were two identical collisions where the driver who caused the collision was impaired, but one driver dies and the other survives, there is an ability to sue in one case but not the other, even though the circumstances are otherwise identical.
- As the criminal justice system does not bring charges and evaluate them when a suspected offender dies, there would need to be another way to decide whether there's sufficient evidence to support a conviction, had the driver lived.
- For some offences, such as when a driver intentionally causes injury or death, it could be very difficult to collect evidence to determine that a conviction could have been made against the driver.
- If the driver dies, they can't defend themselves against the accusation.
- The intent of allowing these lawsuits was to provide an additional deterrent to impaired driving or deliberately using a vehicle to harm someone, and to hold drivers accountable for such behaviour. If the driver dies, neither of these things is possible.

Committee discussion:

The committee was generally in favour of allowing lawsuits in either of the above options as a means of providing additional compensation to the victim(s) or their family. However, the committee felt very strongly that if SGI did pay out for a lawsuit when the responsible driver dies, SGI should not pursue recovery of that amount from the driver's estate. (In situations where the at-fault driver lives and is successfully sued, SGI pays the settlement from the driver's liability insurance but then pursues recovery against the at-fault driver for that amount.) The committee felt that going after the responsible driver's estate unfairly punished the driver's family, who were not responsible.

Survey results:

Approximately seven out of 10 respondents were supportive of having the ability to sue for pain and suffering if the driver's blood alcohol content was found to be over .08 or if there was enough evidence to convict the driver of other offences (if the driver had lived). Half of respondents supported the idea that an at-fault driver's estate could be sued if the driver kills or injures someone.

SGI's recommendation:

SGI recommends allowing these types of lawsuits only if the driver responsible dies in the collision and there is evidence that the driver was impaired. SGI would make the same change under Tort Coverage. SGI does not support allowing lawsuits when the at-fault driver dies but may have committed a criminal offence and intended to cause injury or death, as these offences don't have an empirical measurement to use as evidence.

Alternatives:a. Status quo

The deceased at-fault driver is not able to defend themselves, and allowing these lawsuits lowers the threshold considerably if a criminal conviction is not required. Adding any avenues for tort actions erodes the No Fault program.

Improving income benefit calculation for limited business owners (No Fault Coverage)

Income benefits for someone injured in a collision who owns and operates a limited business are based on the salary, including dividends, the company was paying to the individual. Some business owners choose to take a very small salary or, in some cases, no salary, leaving earnings in the business. In these cases, the current method of income calculation can result in an insufficient and unfair income benefit for the customer.

Options:

1. When an owner/operator of a limited business is injured and requires an income benefit, calculate the benefit based on corporate income tax returns instead of a pay stub. The customer would have the option of hiring replacement labour instead of taking an income benefit, to keep operations of their business going while they recover from their injuries.

Considerations:

- This change would bring limited businesses in line with how SGI handles income benefits for partnerships and proprietorships.

Committee discussion:

This topic was of particular interest to the representative from the Appeal Commission, as the Commission has dealt with a number of appeals on this issue. There was discussion around alternatives to looking at tax returns for customers who split the income evenly for tax purposes, which doesn't necessarily reflect their contribution to the business. Suggestions included "lifting the corporate veil," looking at an earnings model or consulting with a tax specialist.

Survey results:

As this affects a small group of customers, only 65 current or recent business owners shared feedback on this topic. Of this group of respondents, 57% were supportive of calculating income benefits for owners of limited businesses based on tax returns instead of pay stubs. An additional 22% didn't have an opinion on the matter.

SGI's recommendation:

SGI recommends calculating the benefit based on corporate income tax returns instead of pay stubs.

Alternatives:**a. Status quo**

If this is not changed, this will continue to be an issue for customers who own limited businesses.

Assisting customers with the appeal process (No Fault Coverage)

Customers who appeal to the Automobile Injury Appeal Commission have the choice of handling their appeal on their own or hiring a lawyer to assist them. For a lay person, especially in the aftermath of an injury or death, the appeal process can be intimidating or confusing. Depending on the type of appeal or the type of assistance needed, hiring a lawyer to assist with an appeal is not always a practical solution.

Options:

1. Create a position to specialize in assisting customers with the appeal process.

Considerations:

- Customers would have access to an unbiased party who is well versed in the appeal process, should they wish to have assistance.
- Funding for the position would be the responsibility of SGI, but to ensure the individual in the role is unbiased, the position would reside outside of SGI and the Automobile Injury Appeal Commission.

Committee discussion:

The committee was supportive of the concept although there were differing opinions on the exact role this person would play, and who should fill that role. Some committee members felt that the person should be an advocate for the customer, as opposed to more of a purely educational role that explains the process to the customer. If the person were to be an advocate, some suggested the person should be a lawyer since SGI is always represented by a lawyer at Appeal Commission hearings. Some suggested one person wouldn't be adequate, that there should likely be multiple people in this role. The committee also felt strongly that the person should be completely independent of both SGI and the Appeal Commission, possibly working for the Ministry of Justice or the Saskatchewan Ombudsman. It was suggested SGI model this position after the Workers Advocate associated with the Workers Compensation Board.

Survey results:

Respondents were very receptive to the idea of having a personal resource to help guide customers through the appeal process. Nearly seven out of 10 respondents felt that having such a resource would be very important. Respondents also cautioned that this person must be an unbiased party and remain independent of SGI.

SGL's recommendation:

SGL recommends funding a position to assist customers with appeals. Further details will be worked out with the Appeal Commission.

Alternatives:a. Status quo

Some customers may not clearly understand what happens at an appeal or what the process looks like, if they are representing themselves.

Coverage improvements and clarifications**1. Clarifying which rehabilitation costs are covered (No Fault Coverage)**

Coverage is provided for “measures, programs and treatments considered necessary or advisable” for a customer’s rehabilitation. There is some confusion about how the word ‘advisable’ should be interpreted. SGL wants to clarify the language in the legislation to make it clearer.

- The program is meant to cover:
 - Rehabilitative measures, programs and treatments designed to assist in recovery from injury and to restore function to the fullest extent possible
 - Supportive measures, programs and treatments for patients who have reached their maximum level of rehabilitation, but whose function deteriorates without ongoing measures, programs and treatments
- The program is not meant to cover:
 - Preventative and maintenance care designed for general well-being and maintaining optimum health, as opposed to treating or managing injuries
 - Experimental or investigative measures, programs or treatments where there is no research or evidence that they assist with rehabilitation of injured customers

2. Addressing costs related to special equipment (No Fault Coverage)

Customers receive coverage for the cost of special equipment required to manage their injuries, such as wheelchairs for those with paraplegia or quadriplegia. However, costs for maintenance and repair of special equipment, or for repair to the customer’s home or vehicle due to wear and tear from normal use of the equipment, are not currently covered.

SGI would like to add coverage for:

- repair and maintenance of special equipment (e.g. repairing a wheelchair)
- repairs to the customer's residence or vehicle for damage resulting from the normal use of special equipment (e.g. your flooring is damaged due to use of the wheelchair)
- costs associated with special equipment, such as increases in utility costs to use the equipment (e.g. a customer's power bill increases because they have medical equipment that requires constant power)

3. Improving living assistance benefits (No Fault Coverage)

If injuries prevent a customer from performing activities of daily living, the program provides a benefit to obtain care. The maximum weekly benefit is \$833 for assistance with activities such as dressing, bathing, cooking, cleaning and yard care. The program also provides a maximum weekly benefit of \$418 for assistance with activities such as communication, financial management, organization and safety. The extent of the customer's injuries determines the size of the weekly benefit they receive.

The maximum amounts payable for specific services are increased annually by the Consumer Price Index (CPI). Over time, the cost to obtain some services has risen by more than CPI, and there is a discrepancy today between some amounts covered by this benefit and the actual cost of the services. The maximum weekly amount paid for cognitive activities may not be sufficient in severe cases where the injured customer requires supervision.

SGI would like to:

- Update the maximum amounts payable for rehabilitation expenses to reflect current market rates
- Implement a review of the maximums at least once every five years to ensure they are keeping pace with the market
- Consider an increase to the overall weekly amount of the cognitive assistance benefit
- Complete an evaluation of how the grids are weighted and the appropriateness of the activities included with this benefit

Committee impact: The size of a customer's family, their ages and abilities, as well as where they live, can impact the cost of these services, so will also be taken into consideration.

4. Improving the income benefit for customers who require time away from work for further surgery or a rehabilitation program (Tort Coverage)

If a customer has Tort Coverage, is injured and unable to return to work following a collision, they receive a weekly income benefit of \$388. They must be totally and continuously disabled from performing their job to receive this benefit. If they remain totally and continuously disabled, they can continue to receive the benefit for up to 104 weeks following the collision. If they recover enough to return to work, the income benefit ends, and won't start again even if they subsequently have to take time off work because of their injury.

SGL would like to add a one-time disability income benefit for up to 16 weeks if a customer is unable to perform their job as a result of surgery related to the injury from the collision (including recovery time) or as a result of an rehabilitation program SGL recommends they participate in. This benefit would be payable within the first 104 weeks of their claim.

Committee impact: SGL originally proposed a benefit for 12 weeks, but a committee member pointed out that a number of procedures require more recovery time, so SGL increased the benefit to 16 weeks.

5. Ensuring Tort income benefits maintain pace with minimum wage (Tort Coverage)

Tort customers injured in a collision and unable to return to work are entitled to an income benefit, to a current weekly maximum of \$388. If the customer is responsible for the collision, or it was a single-vehicle collision, that is the only income they'll receive as they have no one to sue for anything over and above that. The income benefit is increased annually by the Consumer Price Index (CPI), but recent increases to minimum wage have resulted in minimum wage being slightly higher than the maximum Tort benefit.

SGL would like to make changes to ensure the Tort income benefit does not fall below minimum wage.

Committee impact: This issue was raised by a committee member, and SGL agrees it should be addressed.

6. Providing a recreation allowance for the catastrophically injured (No Fault Coverage)

Customers who are catastrophically injured (paraplegia, quadriplegia, blinded, etc.) can benefit from participating in recreation and leisure activities. However, they may require specialized equipment to be able to participate, or they may need someone to attend with them to assist them in participating. The program does not have adequate coverage for this type of expense today.

SGI would like to provide a benefit for recreation and leisure activities for those with catastrophic injuries up to \$2,500 per year.

7. Improving access to medical practitioners (No Fault Coverage and Tort Coverage)

Medical practitioners are required to complete medical reports that assist in managing claims for injured customers. Some customers experience delays in accessing treatment and benefits while they wait for a medical practitioner to complete a report.

Nurse practitioners have the training and skills to complete medical reports, but are unable to do so because they're not currently recognized under the injury program as able to complete reports.

SGI would like to allow nurse practitioners to submit medical reports on behalf of injured customers, so that customers could access medical attention more readily, particularly in smaller communities that do not have physicians near by.

Committee discussion on items 1-7 above:

In general the committee was supportive of all the above items. One committee member asked that the wording regarding clarifying which rehabilitation costs are covered be as broad as possible to ensure unusual or unique situations weren't inadvertently excluded. There was some discussion around ensuring the recreation allowance was used as intended and not abused. The doctor on the committee passed on concerns from the Saskatchewan Medical Association that this might be outside the nurse practitioners' scope of practice. SGI would still involve a physician for more complex medical conditions. SGI would not be involved in setting the scope of practice for nurse practitioners.

Survey results on items 1-7 above:

Overall, 72% of respondents were in favour of these improvements and clarifications, even with the knowledge that implementing them would be equivalent to an estimated 0.4% rate increase for passenger vehicles and 1.5-2% for motorcycles. More specifically, support was especially strong for increasing living assistance benefits (86% support an increase), improving access to medical practitioners (86%) and ensuring Tort income benefits maintain pace with minimum wage (82%). Of those who indicated they were not supportive of these improvements, comments were made about rates being too high already and there was also some concern about the higher rate increase for motorcyclists.

SGI's recommendation:

SGI recommends implementing all of the above as they either provide an improved experience for customers or provide clarification.

Alternatives:a. Status quo

Less customer-focused, but would save the anticipated 0.4% rate impact for passenger vehicles (1.5-2% for motorcycles.)

8. Changing permanent impairment calculation to address scarring concerns (No Fault Coverage and Tort Coverage)

Today, if a customer is injured in a crash and will never fully recover from some of their injuries (such as a brain injury, paraplegia, amputation of a limb, scars, etc.), SGI pays a benefit meant to compensate them for that loss. This amount is over and above the other benefits they receive such as income benefits, medical and rehabilitation benefits, living assistance benefits, etc.

The size of the one-time payment depends on the severity of the impairment(s). If the customer has No Fault Coverage, the maximum payment is \$189,342 for those with non-catastrophic injuries and \$231,255 for those who are catastrophically injured (e.g. quadriplegia). If the customer has Tort Coverage, the maximum payment is \$12,917 for those with non-catastrophic injuries and \$167,928 for those who are catastrophically injured.

Many customers have told SGI they think payments for scarring are too high compared to payments for more serious impairments.

Options:

1. Review the permanent impairment schedule for scarring relative to other more serious injuries.
2. Rebalance the permanent impairment schedule, leaving the payments for facial scarring unchanged, reducing payments for scarring and redirecting the difference to other types of permanent impairment.

Considerations:

- In either option, if scarring payments are lowered, payments for more serious injuries would increase by an equivalent amount.

Committee discussion:

Most committee members were supportive of this change. Some committee members raised the issue of chronic pain and why it wasn't considered a permanent impairment. SGI representatives explained that chronic pain is addressed through treatment, and if there is any

permanent loss of function it is covered under the Permanent Impairment schedule. The committee members wanted to ensure that SGI simply rebalance permanent impairment payments, not reduce payment for a savings, and SGI confirmed that was the intention. One committee member suggested SGI increase all permanent impairment payments by 20%.

Committee impact: One of the customers on the committee, based on his own experience, felt it was important to not reduce payments for facial scarring. As a result, SGI amended the options to include one where payments for facial scarring remained the same even if other payments were rebalanced.

Survey results:

Nearly six out of 10 respondents were supportive of the idea of reducing scarring payments to increase payments for other types of permanent impairment. Many of those who were supportive of the change felt that scarring is less impactful than other permanent impairment injuries and indicated that scars don't impair daily life. However, those who weren't supportive of the change felt the exact opposite, citing scarring as having an emotional impact on an individual.

SGI's recommendation:

Upon further investigation, SGI found an alternative in which customers' concerns about the amount received for non-facial scarring could be addressed. SGI recommends changing the way Permanent Impairment (PI) benefits are calculated to ensure the customer's most serious injuries (e.g. cognitive changes, loss of an organ) are addressed first, while non-facial scarring will be addressed last. Customers will not see any reduction in benefits as a result; it simply shifts the priority of payment to the issues customers have told SGI impact them the most. In some cases, customers will receive a higher PI payment because SGI is making enhancements to the PI schedule that address cognitive impairments in a more comprehensive way, as well as adding impairments to the schedule.

Alternatives:

a. Status quo

Customers will likely continue to raise concerns about why the payments for scarring seem out of proportion to other, more serious, permanent impairments.

b. Increase payments by 20%

It was not indicated that this amount is tied to any specific justification, and there does not appear to be any compelling reason for an overall increase other than providing more compensation.

9. Providing a counselling benefit for immediate family members of someone injured in a crash (No Fault Coverage)

Counselling services are provided, if needed, to injured customers, and grief counselling is provided for immediate family members of someone killed in a collision. Customers have suggested that counselling services be available to family members of someone who is injured, as there can sometimes be strain on the rest of the family as a result.

Options:

1. Provide counselling services to immediate family members in the case of an injury or death up to a limit of \$2,000 for each immediate family member.
2. Provide counselling services to immediate family members in the case of an injury or death up to a limit of \$5,000 per family.

Considerations:

- The difference between the options is that the second allows more flexibility in how the benefit is paid. This allows counselling services to be provided to the family members who need it most.
- Some customers may already have coverage from employer or private medical/disability plans and provincial health programs. This change would pass those costs on to SGI.

Committee discussion:

The committee was generally supportive of this change.

Committee Impact: The decision to put options forward for public input on whether the benefit should be per family member, or a maximum limit for the entire family, was a suggestion from the Injury Review Committee. As well, SGI initially intended this benefit for the family of someone with a severe injury. A committee member suggested that severity not be a factor, as some injuries that seem simple can cause tremendous stress on a family; SGI agreed.

Survey results:

Nearly two-thirds of respondents were supportive of SGI providing counselling benefits for immediate family members of someone injured in a crash. A family benefit that would provide up to \$5,000 coverage was preferred by 43% of respondents, while coverage of up to \$2,000 per immediate family member was preferred by 31% of respondents.

SGL's recommendation:

SGL recommends providing counselling services to immediate family members in the case of an injury or death up to a limit of \$5,000 per family as this was the preferred option indicated by the public survey.

10. Expanding the types of non-refundable expenses covered (No Fault Coverage)

The program currently reimburses expenses that injured customers have incurred, but are unable to use because they suffer an injury in a collision – such as airline tickets, vacation expenses or concert tickets. SGL reimburses non-refundable expenses up to a maximum \$1,321 for each claim.

Costs for moving or renovating a residence are not currently reimbursed, should a collision impact the customer's ability to complete the move or the renovation.

Options:

1. Allow expenses to be claimed by injured customers who are in the process of moving or scheduled to move at the time of the collision, and who must incur additional moving expenses as a result of their injury.
2. Allow labour expenses to be claimed by injured customers who are in the process of renovating their home at the time of the collision, and who must hire additional help to complete critical components of the renovation.
3. Increase the total amount payable per claim to \$2,500, to ensure it is sufficient to allow for the additional expenses.
4. Allow injured customers to claim up to 80% of the labour expenses on renovations, up to the total amount payable per claim of \$2,500.

Considerations:

- This benefit would apply only when a customer is doing their own labour.
- The benefit would cover labour only, not the cost of materials, as the customer would have incurred those costs regardless of their injury.
- The intent of the benefit would not be to fully complete a renovation, but simply to ensure the customer's house is returned to a liveable state.

Committee discussion:

The committee seemed to agree to the concept but had discussion around what an appropriate amount might be. Some committee members felt that any home renovations should be completed to make the house liveable, but didn't need to extend beyond that.

Committee impact: The committee recommended that SGI ask the public what they thought an appropriate amount would be for this benefit, so SGI included different amounts in the survey to gauge public opinion.

Survey results:

Six out of 10 respondents were supportive of the idea of covering labour expenses to complete necessary renovations. Overall, 36% of respondents felt that \$2,500 was an adequate amount to cover such renovations, while another 10% felt \$5,000 was adequate. About four out of 10 were unsure what amount would be appropriate for this added benefit.

SGI's recommendation:

SGI recommends expanding the definition of a non-refundable expense to include moving costs and labour costs related to incomplete renovations, and increasing the eligible amount to \$2,500.

Alternatives:

- a. Increase the eligible amount to \$5,000
SGI believes a \$2,500 limit is adequate, but will monitor the expanded benefit to ensure it meets customer needs.
- b. Status quo
Not as customer friendly, but would save some cost.

Ideas not included in public consultation

There are a number of program enhancements that SGI would like to implement that do not require public input, either because they just make sense to do or because SGI could not foresee anyone objecting to them. In some cases, suggestions were made by Injury Review Committee members that required some investigation, so they weren't ready in time to include in the public consultation survey.

1. **Excluding Canada Pension Plan (CPP) disability payments from income benefit calculation (No Fault Coverage):** To be eligible to receive CPP disability benefits, the customer must have a physical or mental impairment that is both severe and prolonged, as defined by CPP. If a No Fault customer is entitled to an SGI income benefit and a CPP disability benefit, SGI reduces the income benefit by the amount the customer receives from CPP disability. This was done to prevent over-compensation (i.e. receiving more in income than they would have had they not been injured) and is consistent with the practice of private disability insurers and other no-fault jurisdictions. Based on feedback from the Injury Review Committee and customers, SGI is recommending it no longer reduce income benefits by the CPP disability amount.

Committee impact: This was initially raised as an issue by one of the committee members, who believed it is an unfair practice, and many of the other members agreed.

2. **Expanding the ability to sue a driver convicted of a criminal offence when they cause a collision that results in injury or death (No Fault and Tort Coverage):** Under the No Fault program, you can sue for pain and suffering (when you're injured in a collision) or bereavement damages (when your family member is killed in a collision) in very limited circumstances. Customers can sue when the at-fault driver is convicted of certain offences, such as impaired driving or exceeding .08 blood alcohol content, or when a driver is found to have intentionally caused bodily injury in conjunction with a criminal offence such as assault or murder. SGI plans to add the following criminal offences to the list of offences that trigger the ability to sue for pain and suffering and/or bereavement damages: criminal negligence causing death or bodily harm (including street racing offences), flight from a peace officer and dangerous operation while street racing. SGI will make the same change for Tort Coverage.

3. **Improving calculation of income benefits for seasonal workers (No Fault Coverage):** The current method of calculating the income benefit is creating an unintended inequity for some seasonal workers who have been in their job for less than two years prior to the collision in which they were injured. SGI plans to make a change to the calculation to ensure the benefit is fair for those who have been in their seasonal job for a shorter time period.
4. **Improving flexibility in selection of replacement labour (No Fault Coverage):** A self-employed customer injured in a collision can choose to hire a substitute worker or receive an income benefit. Today, the customer can change their choice only once. SGI plans to allow customers to change their choice as often as they need to, to manage their business.
5. **Enhancing how the benefit for care of a child or dependent adult is provided (No Fault Coverage):** An injured customer who had provided care for a child or dependent adult, but who is now unable to provide that care, receives a benefit to cover costs of care – unless the customer has a spouse who is available to assist with providing care. To give customers greater flexibility in managing care for children and dependent adults, SGI plans to make the benefit available whether or not a spouse is available to assist with care.
6. **Improving how the permanent impairment benefit for cognitive impairment is administered (No Fault Coverage and Tort Coverage):** SGI plans to use the Glasgow Outcome Scale - Extended to calculate this benefit going forward, because it provides for more objective rating and more appropriate benefits for those with moderate brain injuries than the current scale used to calculate this benefit.
7. **Basing death benefits on date of death rather than date of collision (No Fault Coverage and Tort Coverage):** Because most benefits are indexed to the Consumer Price Index, they increase every January 1st. If a customer is injured in a collision in one calendar year, and dies from their injuries in the following calendar year, the current legislation requires their death benefits to be paid at the rate in place at the time of the collision. SGI plans to change this so the benefit is based on the date of death.
8. **Calculating death benefits on the deceased's income at the date of death rather than the date of collision (No Fault Coverage and Tort Coverage):** If a customer is not employed at the time they're injured in a collision, and they're catastrophically injured, they receive an income benefit based on industrial average wage. If they later die from their injuries, the current legislation requires the death benefit to their spouse and dependants to be based on their situation at the time of the collision, rather than at the time of their death. SGI plans to change this so the benefit is calculated based on their income at the date of death.

9. **Providing coverage for family members who incur expenses attending to a severely injured family member (No Fault Coverage):** When a customer is seriously injured in a collision and hospitalized, family members often incur expenses for meals, accommodations, transportation and child care, etc. Some miss work to be with their family member and lose pay as a result. There is no provision today in the program to offset these types of expense. SGI plans to change the program to cover these types of expenses.
10. **Clarifying amounts paid for child care expenses (No Fault Coverage):** The program does not specify amounts to be paid for child care expenses, leading to some inequities in how this benefit is applied. SGI plans to specify that child care benefits are based on minimum wage.
11. **Changing maximum rehab benefit amount to current year instead of collision year (No Fault and Tort Coverage):** Customers are eligible to receive the maximum rehabilitation benefit as of the date of the collision (\$6.6 million for 2015 for No Fault customers, and about \$26,000 for non-catastrophic injuries and \$194,000 catastrophic injuries for 2015 for Tort customers). Although the rehabilitation benefit increases annually by the Consumer Price Index (CPI), the customer is only entitled to the maximum level as of the date of the collision. It is possible a young person catastrophically injured early in life could exhaust their benefit amount in the course of their lifetime. SGI plans to increase a customer's maximum rehabilitation limit by the CPI each year, rather than a fixed amount tied to the date of the collision, to reduce the chance catastrophically injured customers will exhaust their coverage.
12. **Interim payments and pre-judgment interest for permanent impairment payments (No Fault Coverage and Tort Coverage):** Currently, SGI provides injured customers with a one-time permanent impairment payment, which is determined based on the severity of the impairment(s). The degree of permanent impairment is assessed once the customer has reached maximum medical improvement, which for some injuries can be years after the collision. SGI does not presently provide interim or interest payments in relation to permanent impairment. SGI plans to start providing an advance or interim payment if permanent impairment has not been paid as of the one-year anniversary of the date of the collision. Once the customer has reached maximum recovery, permanent impairment will be assessed, and interest paid from the loss date to the date of payment.

Committee impact: This was suggested by one of the committee members, and SGI has decided to implement it.

13. Funding more than one specialized vehicle for those catastrophically injured (No Fault Coverage): SGI pays for a specially equipped vehicle once during a customer's life, plus covers any costs to adapt subsequent vehicles to be operated or used by the customer. SGI recognizes that customers who require more than one specialized vehicle during their life have expenses that they would not normally incur as a result of purchasing another vehicle. Specifically, SGI will determine the average cost of a non-specialized vehicle purchase, and provide the funding for extraordinary expenses over and above this amount. For example, a customer in a wheelchair may require a van for transportation, which would be more expensive than a sedan. SGI would pay for the difference.

14. Better informing customers of their option to choose Tort Coverage or No Fault Coverage
SGI plans to develop a communication strategy to raise customer awareness about choice in auto injury insurance, and help educate customers more on both No Fault Coverage and Tort Coverage.

Committee impact: This suggestion came from the committee, and SGI agreed it was a good one.

Ideas not moving forward or requiring further consideration

1. **Making calculation of death benefits payable to the surviving spouse consistent with other benefit calculations**

When a customer dies in a collision, if they have a spouse who survives them, the spouse is eligible for benefits. The spouse's benefit is calculated at 45% of the deceased's net income, based on the life expectancy of the surviving spouse. Had the customer survived and received an income benefit, it would have been payable until the customer was able to return to work or until they reached age 65.

SGL proposed calculating benefits for a surviving spouse until the deceased would have reached age 65 to align the calculation of death benefits with how income benefits are calculated and correct an inequity in the system. However, it was clear from the committee and other stakeholders that there was no appetite for this change, as it was perceived to be punitive to the families of the deceased. SGL decided to withdraw this proposal.

Committee impact: The committee as a whole was opposed to this change and were the main reason for SGL deciding not to pursue it any further.

2. **Addressing Post-Traumatic Stress Disorder (PTSD) and Complex Regional Pain Syndrome (CRPS)**

Effects of CRPS, like loss of function and discolouration, are already included under permanent impairment benefits. For afflictions like PTSD, SGL is considering adding a psychological section under permanent impairment, but will need to do further investigation.

Committee impact: These issues were raised by a committee member, and were the impetus for SGL considering the possibility of including psychological conditions in the permanent impairment schedule.

3. **Calculating income benefits regarding partnerships and proprietorships**

Business owners may choose to split income to reduce the amount of income tax they pay. SGL calculates a customer's income benefit based on the income reported to Canada Revenue after it has been split. For example, business income of \$100,000 may be reported by each partner as \$50,000.

Since SGL relies on income tax returns to calculate income benefits, this presents a potential inequity. For example, say there is a husband/wife partnership where the husband is a drywaller and the wife handles the accounting for the business, and they report their income as a 50/50 split. If the drywaller is injured in a collision, the income benefit he

receives is likely less than his contribution to the business as a whole, because if he is unable to drywall there is no income coming in. Alternatively, if the wife, who is less active in the day to day running of the business, is injured, the income benefit she receives may be more than her contribution to the business as a whole because the business hasn't lost an income.

While this has been identified as an issue by SGI, the Appeal Commission, customers and other stakeholders, no one has yet to identify a feasible way to fix it. SGI will continue to explore possible solutions to this issue.

4. Standardizing reimbursement of legal costs for appeals

When a customer chooses to use a lawyer to assist with an appeal to the Automobile Injury Appeal Commission and is successful with their appeal, SGI pays costs to the lawyer based on the Court of Queen's Bench Tariff of Costs. The Court of Queen's Bench Tariff of Costs is specific to proceedings before the court and does not accurately reflect the cost of a lawyer appearing before the Appeal Commission. SGI proposed developing a Tariff of Costs specific to proceedings before the Appeal Commission.

This item was raised with the Injury Review Committee, but it became clear the topic was of little interest to lay people. SGI will work with the legal community and the Appeal Commission to see if a new structure can be developed.

Appendix A

SGI contacted the following organizations to invite them to submit written feedback regarding Saskatchewan's auto injury programs:

1. Acquired Brain Injury Partnership Project
2. Automobile Injury Appeal Commission
3. Canadian Paraplegic Association (Sask) Inc.
4. Chiropractors' Association of Saskatchewan
5. College of Physicians & Surgeons of Saskatchewan
6. Coalition of Physical Rehabilitation Centre of Saskatchewan
7. Fit for Active Living
8. Functional Rehabilitation Program
9. Insurance Brokers' Association of Saskatchewan
10. Massage Therapy Association of Saskatchewan
11. Ministry of Social Services
12. Ombudsman Saskatchewan
13. Saskatchewan College of Physical Therapists
14. Saskatchewan College of Psychologists
15. Saskatchewan Information and Privacy Commissioner
16. Saskatchewan Medical Association
17. Saskatchewan Physiotherapy Association Inc.
18. Saskatchewan Society of Occupational Therapists
19. Saskatchewan Trial Lawyers' Association
20. Vocational Rehabilitation Association of Canada

SGI received written submissions from the following stakeholders:

1. Acquired Brain Injury Partnership Project
2. Automobile Injury Appeal Commission
3. Chiropractors' Association of Saskatchewan
4. Coalition of Physical Rehabilitation Centre of Saskatchewan
5. Fit for Active Living
6. Functional Rehabilitation Program
7. Saskatchewan Physiotherapy Association Inc.
8. Saskatchewan Trial Lawyers' Association
9. Vocational Rehabilitation Association of Canada

Appendix B

Injury Review Committee members:

1. Dr. Robert Capp, Saskatchewan Medical Association, Regina
2. Irwin Gerbrandt, customer, Morse
3. Anne-Marie Graham, Saskatchewan Physiotherapy Association, Saskatoon
4. Terry Heska, customer, Yorkton
5. Gail Lawson, Insurance Brokers' Association of Saskatchewan, Oxbow
6. Keith Laxdal, Automobile Injury Appeal Commission, Regina
7. Darren McGovern, customer, Weyburn
8. Ken Noble, Saskatchewan Trial Lawyers' Association, Regina
9. Patricia Parenteau, customer, Prince Albert
10. Dr. Stephen G. White, Saskatchewan Chiropractic Association, Regina

Motorcycle Review Committee members:

1. Rick Dobson, Saskatchewan PowerSport Dealers Association, Saskatoon
2. Earl Driedger, Maximum Training, Saskatoon
3. Don Fuller, R.A.G.E., Regina
4. Cody Jordison, motorcycle enthusiast, Lumsden
5. Chris Regier, Saskatchewan Dual-Sport Club, Saskatoon
6. Barry Muir, Saskatchewan Safety Council, Regina
7. George Wright, insurance broker, Young
8. Robb Hertzog, Prairie Harley-Davidson, Regina

Terry Heska, from the Injury Review Committee, also participated in the meetings with the Motorcycle Review Committee.

Appendix C

A brief overview of auto injury insurance in Saskatchewan

Saskatchewan Auto Fund basic plate insurance includes coverage for:

- Damage to the vehicle insured;
- Injuries that occur in connection with a collision involving the vehicle; and,
- Liability for damage the vehicle causes to others' property, and bodily injury/death.

The average premium for a private passenger vehicle is \$1,009.25 per year (\$411.34 for damage coverage, \$223.34 for injury, \$221.17 for liability and \$153.40 for administration).

The average premium for a motorcycle, if they were paying enough to cover their full costs today, is \$2,118.81 per year (\$213.16 for damage, \$1,551.96 for injury, \$34.72 for liability and \$318.97 for administration).

Customers filed almost 210,000 vehicle damage and vehicle glass claims with the Auto Fund in 2013, and they filed almost 6,800 injury claims. The injury claims cost a total of \$336 million.

The average cost of a private passenger injury claim was about \$30,500, while the average cost of a motorcycle injury claim was about \$117,000.

Over half of injury claims are closed in under six months. Almost three-quarters are closed in under a year.

All Saskatchewan residents injured in collisions involving a motor vehicle in Canada or the U.S. are eligible to receive injury benefits from the Saskatchewan Auto Fund. Everyone in Saskatchewan, including children and those who do not hold a driver's licence or register a vehicle, has a choice of injury coverage – tort or no fault.

No Fault Coverage provides a package of benefits that covers the majority of your expenses if you're injured. If someone else is found responsible for the collision, No Fault Coverage allows you to sue for additional expenses. It doesn't allow you to sue for pain and suffering, except in very limited circumstances.

"No fault" means you receive comprehensive benefits no matter who's responsible for the collision, but your right to sue for pain and suffering is very limited.

Tort Coverage provides a basic package of benefits that covers some of your expenses if you're injured. If someone else is found responsible for the collision, Tort Coverage allows you to sue for additional expenses and for pain and suffering.

“Tort” means being held legally responsible for your actions. In auto injury coverage, it means you have the right to sue.

To ensure some type of coverage is in place, Saskatchewan residents automatically receive No Fault Coverage unless they file a declaration opting for Tort Coverage. There is no cost to change to Tort Coverage, and your vehicle’s rate is the same regardless of whether you have Tort or No Fault.

The coverage you choose applies regardless of what vehicle you’re travelling in, or if you’re injured by a vehicle as a pedestrian.

About 6,400 people in Saskatchewan have Tort Coverage. Everyone else has No Fault. See the following pages for a comparison between the two products.

Comparison of No Fault and Tort benefits

No Fault Coverage

Saskatchewan residents with No Fault Coverage receive a higher level of defined benefits, regardless of the circumstances of the collision. They can sue for expenses not covered by the defined benefits. They cannot sue for pain and suffering except in very limited circumstances. For the majority of people, their claim settlement is made up entirely of the defined package of benefits.

Defined package of benefits

All Saskatchewan residents with No Fault Coverage are entitled to the benefits listed below. They can also sue for expenses in excess of these benefits. They can sue for pain and suffering in limited circumstances only.

Income benefit

- up to \$92,076 annually to age 65, if required
- after 180 days, non-earners including homemakers who continue to be disabled will receive at least minimum wage
- students will receive up to \$19,692 for each school year missed
- substitute worker or caregiver benefit available up to \$43,316 per year
- those under age 65 at the time of the collision and off work for at least two years also receive a lump-sum pension equal to 10% of total income benefit received

Medical and rehabilitation coverage

- up to \$6,607,282

Permanent impairment payment

- up to \$189,342 except for those with catastrophic injuries
- up to \$231,255 for those with catastrophic injuries

Death benefit

- spouse – 45% of the deceased's net income to a maximum gross salary of \$92,076 per year
- education and training allowance of up to \$45,442 for dependent spouses
- dependent child – 5% of the deceased's net income per dependent child or disabled adult
- \$30,294 for loss of a child
- \$15,147 per parent and non-dependent child for those with no spouse or dependants up to the maximum of \$68,163
- \$9,910 funeral benefit

Tort Coverage

Saskatchewan residents with Tort Coverage receive a lower level of defined benefits, regardless of the circumstances of the collision. They can sue for expenses not covered by the defined benefits. They can also sue for pain and suffering. For most injured people, the defined package of benefits makes up only part of their claim settlement.

Defined package of benefits

All Saskatchewan residents with Tort Coverage are entitled to the benefits listed below. They can also sue for expenses in excess of these benefits, and for pain and suffering.

Income benefit

- up to \$20,176 annually
- for a maximum of two years unless your injuries prevent you from working at all – if totally disabled, benefit will be paid for life
- homemakers will also be paid up to \$20,176 annually for a maximum two years
- those who do not qualify for the benefits above, but who are confined to a hospital, bed or wheelchair, will receive up to \$10,088 for one year

Medical and rehabilitation coverage

- up to \$25,834 except for those with catastrophic injuries
- up to \$193,762 for those with catastrophic injuries

Permanent impairment payment

- up to \$12,917 except for those with catastrophic injuries
- up to \$167,928 for those with catastrophic injuries

Death benefit

- spouse – 45% of the deceased's net income to a maximum gross salary of \$92,076 per year
- dependent child – 5% of the deceased's net income per dependent child
- \$12,917 to estate of those with no spouse or dependants
- \$6,459 funeral benefit