

Prince Edward Island Automobile Insurance Reforms Implementation of Direct Compensation - Property Damage

June 2, 2015

Bill 46 “An Act to Amend the Insurance Act (No.2)” received royal assent on May 14, 2014. The first two of three reforms, changes to our Cap on court awards for pain and suffering caused by minor personal injuries and changes to automobile policy Accident Benefits (Section B), were put into effect for accidents occurring on or after October 1, 2014.

The third reform, Direct Compensation - Property Damage (DCPD), will come into effect for accidents occurring on or after October 1, 2015.

Legislation and Regulations

The proclamation of section 14 (DCPD provisions) of Bill 46 and the approval and wording of the *Insurance Act* Automobile Insurance Fault Determination Regulations may be viewed in the February 14, 2015, Royal Gazette, which is available at:

<http://www.gov.pe.ca/royalgazette/index.php3>

Bill 46 is available at:

<http://www.assembly.pe.ca/bills/onebill.php?session=4&generalassembly=64&number=46>

Rate Filing Information

The Island Regulatory & Appeals Commission has issued an Information Bulletin concerning DCPD filing requirements which is available at:

<http://www.irac.pe.ca/insurance/Bulletins/PE-INS-15-01-Bulletin-DCPD-REV.pdf>

Standard Automobile Policies and Endorsements

The Standard Automobile Policy ((PE-S.P.F. No. 1) effective on October 1, 2015, is available at:

http://www.gov.pe.ca/photos/original/JPS_SampleAuto.pdf

The Standard Automobile Policy ((PE-S.P.F. No. 1) and all related endorsements (PE-S.E.F.'s) effective on October 1, 2015, are available from Informco.

DCPD Workshop

Our office and the Insurance Bureau of Canada (IBC) will co-host a DCPD workshop for interested industry participants on September 15, 2015, from 1:00pm - 4:30pm in the Sir John A MacDonald Room of the Delta Prince Edward Hotel in Charlottetown. If you wish to attend please contact mldry@ibc.ca to register so we may plan for sufficient space and resources.

Our office and the IBC Technical Committee will begin working towards updating the SPF's #2, #4, #6 and #8, and their endorsements, to reflect the above noted reforms. In the interim, until their completion, our office expects industry to continue to “read-in” the above legislative and regulatory changes to ensure compliance with these reforms as of October 1, 2015.

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