

Prince Edward Island Automobile Insurance Reforms

September 19, 2014

Bill 46 “An Act to Amend the Insurance Act (No.2)” received royal assent on May 14, 2014. As a result, the following reforms will be coming into effect commencing **October 1, 2014**.

Reform 1: Changes to our Cap on court awards for pain and suffering caused by minor personal injuries. Effective for accidents occurring on or after October 1, 2014.

- the Cap amount increases from \$2,500 to \$7,500 indexed annually by CPI,
- the definition of “minor personal injury” is amended to mirror that of Nova Scotia, and
- a number of provisions, similar to those in use in Nova Scotia, come into effect to provide direction during the adjudication of court actions.

Reform 2: Changes to automobile policy Accident Benefits (Section B). Effective for accidents occurring on or after October 1, 2014, regardless of policy purchase date.

Accident Benefits

Benefit Category	Current	New Oct. 1, 2014
Medical & Rehabilitation Expenses	\$25,000	\$50,000
Funeral Expenses	\$1,000	\$2,500
Death Benefits		
- Highest Earning Spouse	\$10,000	\$50,000
- Other Spouse	\$10,000	\$25,000
- Dependent	\$2000	\$5,000
Loss of Income	\$140/week	\$250/week
Principal Unpaid Housekeeper	\$70/week 12 weeks	\$100/week 52 weeks

In addition, for “Loss of Income” the age limitations under “a person shall be deemed to be employed” have been removed.

Reform 3: Direct Compensation for Property Damage (DCPD)

DCPD provisions were included in Bill 46, but are not yet proclaimed. Government intends to implement DCPD effective for accidents **occurring on or after October 1, 2015**.

The complete Bill 46 is available at;

http://www.assembly.pe.ca/bills/pdf_chapter/64/4/chapter-36.pdf

The Standard Automobile Policy ((PE-S.P.F. No. 1) effective October 1, 2014, will be made available at; <http://www.gov.pe.ca/jps/index.php3?number=1027253&lang=E>