

# Better benefits, lower rates: Moving to a care-based insurance model

**A paper detailing government's intended changes at ICBC**

For discussion and consultation purposes only

**February 2020**



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# Executive Summary

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On February 6, 2020, the B.C. Government announced its intention to implement a new care-based insurance model that would save drivers on their auto insurance while giving British Columbians access to significantly enhanced medical care, recovery, and wage loss benefits if they are injured in a crash, regardless of who is at fault.

To realize these changes, the Ministry of Attorney General (the Ministry) is proceeding with amendments to the *Insurance (Vehicle) Act* and some related statutes.

Government will establish within the Legislation the new maximum accident benefit amount of at least \$7.5 million that all British Columbians injured in a crash will have access to, in order to help ensure they receive the care they need for a lifetime. The Ministry will consult with stakeholders on many of the proposed changes outlined in this paper to help inform the associated Regulations, which are expected to be completed in fall 2020.

Following the confirmation of the framework of Regulations, it is anticipated that ICBC will conduct further consultations with stakeholders in 2020 and the beginning of 2021 to support implementation of the new insurance model in spring 2021.

This paper provides a summary of the new care-based insurance system, how the current system works today, the proposed changes and their benefits to British Columbians, and the intended timeframe for engagement and legislative amendments.

# Overview

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Subject to the approval of the Legislative Assembly, the Government of British Columbia intends to introduce a new insurance model, Enhanced Care coverage, that ICBC will implement starting in spring 2021.

Among the changes, British Columbians can expect:

- ▶ increased access to medical care and significantly enhanced recovery benefits—to a maximum of at least \$7.5 million, up from today's limit of \$300,000;
- ▶ many other benefit enhancements, such as an income replacement benefit 60% higher than today, where British Columbians will be eligible for up to \$1,200 per week;
- ▶ new legal requirements that ICBC must assist each claimant with making a claim and endeavour to ensure they are informed of, and receive, all the benefits to which they are entitled;
- ▶ lower insurance rates, where drivers save about 20 per cent—an average of \$400; and,
- ▶ more stable premiums that support the long-term affordability of public auto insurance for British Columbians, and the sustainability of a public insurance system.

This new care-based insurance, known elsewhere as no-fault insurance, has proven to be a successful and effective model for other public auto insurers in Canada, including in Manitoba and Saskatchewan. These public insurers are providing some of the lowest—and most stable—insurance rates across Canada.

## Reducing Legal Costs

Over the last two years alone, drivers have spent about \$1 billion on insurance premiums that have gone directly to lawyers in the form of contingency fees—a key reason why rates in B.C. have continued to increase. Last year alone, the top seven personal injury firms alone received an estimated \$100 million in contingency fees.

The planned legislative changes will remove much of the volatility of rising legal costs. In fact, this new care-based insurance system is forecast to save more than \$1.5 billion dollars in the first full year, savings that will be entirely passed on to ICBC customers through lowered insurance rates and improved care benefits.

While litigation for motor vehicle claims will largely be eliminated in B.C. under Enhanced Care coverage, with some limited exceptions as described on pg. 17, this new model effectively removes the need for the adversarial practice of suing in an attempt to get the care and income-loss claimants require, because the accident and wage loss benefits are so extensive.

## Accountability for ICBC

To better assure customers that ICBC will be fair and accountable to them, new legislation will include a requirement that ICBC must assist each claimant with making a claim, and endeavor to ensure claimants are informed of, and receive, the benefits to which they are entitled. The Civil Resolution Tribunal will also continue to provide dispute resolution processes—separate from the courts and independent from ICBC—if British Columbians disagree with an aspect of their claim, such as their entitlement to receive certain benefits.

The B.C. government has also announced plans to establish a new Fairness Office with the authority to review and resolve ICBC customer complaints related to fairness, as well as the mandate to make recommendations to ICBC around policy and process.

In spring 2021, all British Columbians will transition to Enhanced Care coverage and have access to improved benefits, whether the claimant is a driver, passenger, pedestrian or cyclist, and regardless of whether at-fault for a crash or involved in a single-car collision.

## Accountability for dangerous drivers

And while those responsible for crashes will receive this same level of medical and recovery benefit coverage to help get better, this new insurance will also ensure there continues to be consequences for negligent and dangerous drivers. Simply, fault matters in an Enhanced Care system. Drivers who cause a crash will see their premiums go up. British Columbians who are in a crash caused by the most dangerous drivers—such as those who are convicted of certain *Criminal Code* offences—will still be able to sue those drivers for additional damages. The driver convicted of a *Criminal Code* offence may also be responsible for paying for some of the injured party's benefits.

# B.C.'s insurance system today

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## Coverage

ICBC's Basic insurance is the mandatory coverage that all British Columbians who own and drive a motor vehicle must purchase. It ensures each vehicle has the minimum insurance required before it is licensed for use on the road, and provides anyone injured in a crash with accident benefits consisting of both wage loss and access to up to \$300,000 of coverage for medical and rehabilitation costs. Basic insurance also provides at least \$200,000 worth of third-party liability coverage, in case a driver is found at-fault for a crash and responsible for causing injury to someone or for damaging their vehicle or property.

For third-party liability, only the minimum level of coverage is mandatory from ICBC. ICBC, as well as private insurers, offer customers optional insurance products. These additional coverages, such as Extended Third-Party Liability, Collision and Comprehensive, are available to give further protection beyond the mandatory level of insurance, in the event a person is involved in a crash.

## If you are not at fault

In today's system, if a British Columbian is injured in a crash and is not responsible (not at fault), they will receive accident benefits from ICBC and be able to pursue compensation for additional losses by suing the at-fault driver (also known as a tort claim). However, compensation for things such as additional medical and rehabilitation costs, additional income replacement or pain and suffering (which is limited to a maximum of \$5,500 for minor injuries resulting from crashes after April 1, 2019) is restricted by the at-fault driver's insurance policy limits and their ability to pay an award beyond their policy.

## If you are at fault

In today's system, if a driver is injured and is the one at-fault (the person responsible for the crash), they are also eligible to receive accident benefits. However, the driver would have no one to sue for additional compensation, even if permanently disabled as a result of the crash. That means the current \$300,000 maximum in accident benefits is the most the driver would be able to access, even if the injury lasts a lifetime.

Sometimes crashes happen that don't involve another vehicle. For example, if a driver hits black ice then crashes, or collides with wildlife on a highway. Today this driver would be considered at-fault and would not be able to access compensation above the eligible accident benefits, having no one to sue.

## Getting a lawyer

In today's system, there are many reasons people choose to get legal representation after a crash, including because they find the claims process difficult or daunting, or because they have concerns about being treated fairly. Suing an at-fault driver can often be a long process with an unknown outcome—the claimant could receive a large payout, or not, and may be left with significant legal fees to cover, too.

Currently, 80% of crashes involve only minor injuries, which means that even if the claimant hires a lawyer, the payout for pain and suffering compensation would be limited to a maximum of \$5,500.

The average payout for a finalized litigated injury claim for the current 2019/20 fiscal year is \$130,000. Once legal costs (such as those for expert reports) are removed from this award, the lawyer's fee is typically one quarter to one third (25 to 33 per cent) of the remaining one-time payout. Only then does the amount leftover go the injured person to cover things like out-of-pocket expenses and any reduction in future earning capacity.

# New Enhanced Care coverage

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## Care after a crash

Upon the proposed legislation receiving Royal Assent, and once implemented in the spring of 2021, all British Columbians would be covered under the new Enhanced Care coverage.

Whether a driver, passenger, pedestrian or cyclist, if injured in an auto crash in Canada or the United States, Enhanced Care coverage will ensure every British Columbian has improved access to medical care, and dramatically improved recovery, wage loss and other benefits, regardless of who was responsible for the crash.

The new maximum accident benefit limit will be set in the legislation—at least \$7.5 million. These improved accident benefits are 24 times more than today, and will ensure anyone injured in a crash can have the peace of mind knowing they'll get the care they need, for as long as they need it.

Details to be set by Regulation, and informed by consultation with stakeholders, will include the sub-limits of benefits under the maximum overall care and recovery benefits of at least \$7.5 million, such as personal care expenses, travel and recreation benefits.

In addition to the maximum overall care and recovery benefits of at least \$7.5 million, it is proposed that wage earners, including those who are self-employed, would also have access to up to \$1,200 per week in income replacement benefits, with the option to purchase a higher limit. This amount represents a 60 per cent increase over the maximum of \$740 per week that a claimant could take home today. Additional enhanced benefits would also be in place for anyone who is catastrophically injured in a crash, and for death benefits, including funeral expenses and grief counseling for surviving family members.

Because of the significantly enhanced benefits that will be available, British Columbians won't need to sue to get the care needed or to cover any income losses after the crash or in the future. Largely taking legal action out of the process also means claimants won't have to wait, potentially for years, for a lump sum settlement that attempts to cover losses—another important change from today. With Enhanced Care coverage, claimants will be eligible for more benefits and receive them as needed, and more quickly than if one were to sue under today's system.

Unlike today, drivers will also be eligible for these benefits even if found responsible for a crash, including single-vehicle collisions on a highway.

## Reducing legal costs will increase affordability

Affordability of insurance rates is a big concern for all British Columbians. Addressing this issue is at the heart of these proposed changes. Our current system is still seeing far too much spent on lawyers and legal fees. It's a major reason why insurance rates are unaffordable for many, and why finding a solution to significantly reduce these costs has been so critical.

By largely removing legal costs from the insurance system, Government will be able to significantly reduce rates for drivers by about 20 per cent—\$400 on average—from what a driver paid the year before. How much a driver saves will depend on a variety of factors, most notably whether they purchase full coverage from ICBC (basic and optional third-party extended liability) versus purchasing basic insurance only.

As well as improving affordability, Enhanced Care coverage will help to make rates more stable going forward by significantly reducing the unpredictability and volatility of rising legal costs.



## Comparing Accident Benefits

Many benefit limits under the Enhanced Care coverage will be indexed to the Consumer Price Index (CPI).

Under Enhanced Care Coverage, the maximum for medical and rehabilitation of at least \$7.5 million will be established in legislation, while benefit sub-limits will be set in regulation following stakeholder consultation.

Accident Benefits	Enhanced Care Coverage Maximum proposed limits	Current system Accident Benefits available today
Medical and Rehabilitation	At least \$7.5 million	\$300,000
<ul style="list-style-type: none"> <li>Personal assistance expenses: non-catastrophic injuries</li> </ul>	\$4,800/month	Attendant care part of \$300,00 limit. Homemaker benefit up to \$280/week
<ul style="list-style-type: none"> <li>Recreational – <b>NEW</b></li> </ul>	Up to \$4,000 every two years	N/A
<ul style="list-style-type: none"> <li>Travel and accommodation – <b>NEW</b></li> </ul>	Reimbursement allowance for reasonable travel and accommodation expenses in certain circumstances	N/A
<ul style="list-style-type: none"> <li>Extended Catastrophic Benefits – <b>NEW</b> <ul style="list-style-type: none"> <li>Personal Care Assistance</li> <li>Personal Care (requiring 24 hr assistance)</li> </ul> </li> </ul>	\$5,700/month \$10,000/month	N/A
<b>Additional benefits, over and above the maximum for Medical and Rehabilitation benefits of at least \$7.5 million</b>		
Income replacement	90% of net income, up to \$1,200 per week, with the option to purchase higher limits	75% of gross income, up to \$740 per week
<ul style="list-style-type: none"> <li>Full-time, part-time or temporary earners</li> <li>Non-earners (unemployed based on job capability before injury)</li> </ul>		
Caregiver weekly indemnity – <b>NEW</b>		N/A
<ul style="list-style-type: none"> <li>1 dependant</li> <li>2 dependants</li> <li>3 dependants</li> <li>4 or more dependants</li> </ul>	\$465/week \$515/week \$565/week \$600/week	

Accident Benefits	Enhanced Care Coverage Maximum proposed limits	Current system Accident Benefits available today
Lump sum indemnity for each school year not completed – <b>NEW</b> <ul style="list-style-type: none"> <li>▪ Kindergarten to grade 8</li> <li>▪ Grade 9–12</li> <li>▪ Select post-secondary studies</li> </ul>	\$5,000 \$10,000 \$20,000	N/A
Family business – <b>NEW</b>	\$800/week	N/A
Care expenses reimbursement – <b>NEW</b> up to: <ul style="list-style-type: none"> <li>▪ 1 person</li> <li>▪ 2 people</li> <li>▪ 3 people</li> <li>▪ 4 or more people</li> </ul>	\$120/week \$160/week \$200/week \$240/week	N/A
Permanent Impairment Compensation (non-catastrophic) – <b>NEW</b>	\$800 to \$160,000	N/A
Extended Catastrophic Benefits – <b>NEW</b> <ul style="list-style-type: none"> <li>▪ Permanent Impairment Compensation</li> <li>▪ Transitional Expense (governed by ICBC policy)</li> </ul>	\$250,000 \$1.2 million (lifetime)	N/A
Death Benefits <ul style="list-style-type: none"> <li>▪ Spouse (calculated on deceased’s age and annual income)</li> <li>▪ Dependant (based on age of surviving dependant)</li> <li>▪ Dependant with disabilities (based on age of surviving dependant and in addition to the dependant benefit noted above)</li> <li>▪ Non-dependant child or parent (if no spouse/dependants)</li> </ul>	\$60,000 - \$500,000 \$30,000 - \$60,000 \$28,000 \$14,000	\$30,000 \$6,000 each N/A N/A
Funeral expenses	\$7,500	\$7,500
Grief counselling – <b>NEW</b>	\$3,500	N/A

## Injury management

Under Enhanced Care coverage, injured customers will continue to choose their own medical practitioner just like today—this is not done by ICBC. ICBC will work together with the claimant’s doctor and healthcare providers. ICBC may also recommend additional support to assist the injured person in getting the services and support needed to return, as much as possible, to their pre-accident activities.

Under Enhanced Care coverage, ICBC will provide more robust recovery support compared to today. Building on the recent improvements to accident benefits that government brought into effect on April 1, 2019, Enhanced Care coverage provides new opportunities to increase support for British Columbians. Consultation with stakeholders through 2020 and 2021 will cover a wide range of topics, including the patient recovery pathway and elements of the model’s implementation.

Under Enhanced Care coverage, healthcare providers will lead the development of the injured person’s recovery plan. ICBC Claims injury staff will be available to support the individualized recovery plan as required and help coordinate with the injured person and each of their healthcare providers (physiotherapists, chiropractors, etc.), using the most up-to-date research to help ensure the best possible recovery. Best practices in injury management philosophy mean this process will focus on creating a supportive and transparent customer experience that ensures people injured in a crash receive the right care at the right time.

Furthermore, under Enhanced Care, ICBC will pay substantially higher income-replacement benefits for full-time, temporary or part-time earners who cannot continue working because of their injuries. Injured people may also be eligible for other benefits, such as home care support, help returning to work, or a new benefit called permanent impairment compensation.

ICBC will pay for medical care and treatments for as long as necessary. Sometimes injured people will recover within a few weeks and other times it takes longer, sometimes much longer. That’s why the significantly enhanced maximum accident benefits of up to at least \$7.5 million are so important.

For those people who suffer catastrophic injuries in a crash, the injured customer’s physician will continue to direct primary care. A major focus of ICBC’s Claims injury staff will be to support the most seriously injured in accessing the medical care, expertise and recovery benefits they need. An injury is considered catastrophic when it causes permanent and severe impairment, such that one’s ability to engage in basic activities of daily living are significantly impacted.

ICBC continues to work to build stronger relationships with healthcare providers, hospitals and other care facilities to ensure it can effectively support rehabilitation plans that reflect what customers can realistically achieve through treatment, effort and time.

We expect these changes will make ICBC’s coverage for catastrophic injuries as good as, and in most cases better than, anywhere else in Canada. As importantly, the most seriously injured customers can have the peace of mind that comes from coverage that spans a lifetime, without the stress of a lengthy litigation process.

Government and ICBC are also committed to ongoing consultation with doctors and other healthcare providers to improve administrative efficiencies, so healthcare providers can focus their time supporting their patient’s recovery and not be burdened with excess process and paperwork.

# Income replacement

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## Full, part-time and temporary earners, including self-employed

With Enhanced Care coverage, if any British Columbian is injured in a crash, the vast majority (90%) will receive 90% of their net income in wage loss replacement, with a commitment to provide anyone injured in a crash with at least the same wage loss benefits as today or more in many cases.

This benefit is over and above the maximum medical, rehabilitation or recovery benefits of up to at least \$7.5 million that they could receive.

Government's April 1, 2019, reforms greatly improved wage loss benefits—more than doubling the amount a claimant could take home in wage loss payments, from a maximum of up to \$300 per week to a maximum of up to \$740 per week. Now, under Enhanced Care coverage, government is proposing to once again increase wage loss payments, to a maximum of up to \$1,200 per week (the weekly net income based on an estimated gross annual income of up to \$93,400)—an increase of approximately 60%.

If a claimant earns a gross annual income in excess of \$93,400, they will be able to purchase optional insurance for higher income replacement to provide additional compensation.

### ENHANCED CARE

**PRE-APRIL 1**  
up to  
**\$300**  
per week in  
wage loss payments

**TODAY'S AUTOPLAN**  
up to  
**\$740**  
per week in  
wage loss payments

up to  
**\$1,200**  
per week in  
wage loss payments

## Caregiver weekly benefit – *NEW*

A new caregiver benefit will support the injured person if they were primarily an unpaid caregiver but, as a result of the crash, cannot care for their dependants. The proposed weekly compensation amount is calculated based on the number of dependants.

Number of dependants	Proposed weekly compensation
1	\$465
2	\$515
3	\$565
4 or more	\$600

## Unemployed

If unemployed at the time of the accident but capable of working, the claimant would be eligible for income replacement subject to a waiting period, which will be set by regulation and which can be waived if the claimant can show they knew they would have had employment before the crash (e.g. they were about to start a new job or had a promise of employment that would have started after the date of the crash). It is proposed that this income replacement be based on the B.C. Industrial Wage Average (\$50,691 as of 2018).

## Other income replacement sources

If the claimant is injured and has other sources of income replacement (e.g., a private disability insurance covering wage loss), they would only receive income replacement under Enhanced Care coverage for any shortfall in income replacement between that other source and their regular income up to the income replacement limits.

## Residual earning capacity

Sometimes, an accident causes injuries that prevent the claimant from returning to exactly the same kind of full-time work in place before the crash. However, in many instances the individual would still be capable of working at some type of job. The insurance industry refers to this as “residual earning capacity”. This means the injured person can still earn income, although not necessarily in the same kind of job or at the same pay level as before the accident. In this situation, the claimant would be eligible for partial income replacement benefits to supplement the reduced earnings.

## Unemployable—the claimant was not able to work before the crash

If the claimant was regularly incapable before the accident of holding employment for any reason except age, they are not eligible to receive income replacement benefits.

## Family business – *NEW*

The new family business benefit will include compensation if, before the crash, the claimant was working in the family business without pay, but since the accident has had to pay the expenses of hiring a replacement. The proposed maximum limit for this benefit is \$800/week, for up to 180 days.

## Injured students and minors – *NEW*

A new benefit would compensate full time post-secondary students and minors (those under the age of 19) for each school term or semester they cannot complete due to their injuries. The following are proposed maximum lump sum compensation for each school year they were not able to complete due to their injuries:

Lump sum compensation for minors and students	Proposed maximum limits per school year
Kindergarten to Grade 8	\$5,000
Grade 9 to Grade 12	\$10,000
Select post-secondary studies	\$20,000

If the claimant was a minor or student and employed at the time of the accident, they would also be eligible for income replacement. In addition, if it is determined that the claimant will not be able to gain employment after graduating from high school or from the post-secondary studies they were undertaking at the time of the accident (or in the situation where they were not able to complete school or post-secondary studies), it is proposed that they be eligible to receive an Income Replacement Benefit. This benefit will continue until the claimant turns 65.

Government also anticipates that ICBC will develop a retirement benefit that will help provide an ongoing amount of income support for people after the age of 65. This would recognize that some may not have been able to save adequately for retirement because of the accident.

# Medical and rehabilitation benefits

Medical and rehabilitation benefits cover expenses related to medical treatment, as well as medical equipment and devices, which are reasonable and medically necessary expenses to support recovery. Beyond typical medical and rehabilitation benefits, this would also cover home and vehicle alterations critical for those who suffer serious or catastrophic injuries.

The Enhanced Care coverage includes an overall maximum, to be established in legislation, of at least \$7.5 million for the medical, rehabilitation and recovery coverage. In alignment with medical and recovery best practices, government anticipates there will be applicable sub-limits on particular services or on the frequency at which a service or equipment can be accessed. In addition to these care and recovery benefits, wage earners, including those who are self-employed, would have access to up to a proposed \$1,200 per week in income replacement, with the option to purchase a higher limit.

The existing regulated fee amounts paid to practitioners for specified treatments (e.g., physiotherapy, chiropractic, counselling) that were established as part of the April 1, 2019 changes will still apply.

ICBC would remain the primary payer for these services to ensure expedient and efficient access to benefits for customers. For all other expenses, the proposed approach would see ICBC remain as the secondary payer to benefits payable under other insurance plans.

## Personal care assistance

The Enhanced Care coverage would reimburse for certain expenses for tasks the claimant was able to perform alone before the accident, but now requires assistance due to the injury.

ICBC will provide compensation specific to personal care tasks that is more robust than the current offering of housekeeping benefits, including personal hygiene and self care, meal preparation, grocery shopping, house cleaning, managing personal finances and using public or personal transportation.

Personal care assistance	Proposed limit/month
Non-catastrophic injuries	\$4,800
Catastrophic injuries*	\$5,700
Catastrophic injuries requiring 24-hour care	\$10,000

*\* A catastrophic injury will be defined in the regulations but is generally one that causes permanent and severe impairment such that one's ability to engage in basic activities of daily living are significantly impacted (example: paraplegia).*

## Care expense reimbursement

If the claimant is a wage-earner, in a full-time, part-time, temporary or other capacity occupation, or is a minor or student, who incurs additional care expenses because of the injury (e.g. a parent who was employed outside the home before the accident and took care of their children before and after work), the claimant would have access to a weekly dependent care expense reimbursement. The weekly compensation amount is based on the number of dependants and indexed to the minimum wage.

Number of people	Proposed maximum weekly compensation
1	\$120
2	\$160
3	\$200
4 or more	\$240

## Recreational – *NEW*

A new benefit will be available to help injured people participate in recreational activities. For example, if the claimant was an athlete prior to the accident, benefits will cover a specialized sport wheelchair that will allow the individual to continue to be active in sports. Or, if the claimant enjoyed going to the theatre, but now requires an assistant to accompany them, this benefit would pay for a ticket for the assistant to attend the event as well.

The proposed maximum amount that can be reimbursed for this benefit is up to \$4,000 every two years, depending on the severity of the injury.

## Travel and accommodation – *NEW*

This new benefit is meant to help offset costs for reasonable and necessary travel, accommodation and meal expenses, in certain circumstances, such as when attending a medical appointment from out of town.

## Permanent impairment compensation – *NEW*

Another new benefit will provide support for injuries that result in an impairment(s) lasting a lifetime. A permanent impairment means someone has permanently lost certain physical or cognitive function, or is permanently disfigured.

The amount of these payments would depend on the nature of the injury and the degree of permanent impairment it causes based on the specific nature of the injury.



Permanent impairment compensation	Proposed maximum limits
Non-catastrophic	\$800 - \$160,000
Catastrophic	\$250,000

It's important to note that not all injuries will receive this type of compensation—it would depend on the severity and permanence of the injury.

## Catastrophic injuries

Enhanced Care coverage provides extended recovery benefits for people who need it most—those who have a catastrophic injury that significantly impacts their daily living. Some examples of catastrophic injuries are paraplegia, quadriplegia, serious brain injury or significant vision loss.

British Columbians who experiences this type of life-altering injury will have access to higher limits on some benefits, including a proposed \$5,700-10,000 per month to cover personal care assistance expenses, and up to a proposed \$250,000 for permanent impairment compensation. The amount a claimant can receive varies, depending on the severity of the impairment and how it impacts the individual's ability to do basic daily living activities.

The following extended benefits will ensure care is available for a lifetime if someone is severely injured in a crash.

Extended recovery benefits for catastrophic injuries	Proposed maximum limits
Permanent impairment compensation	\$250,000
Personal care assistance	\$5,700/month
Personal care assistance requiring 24-hour care	\$10,000/month
Transitional Expense	\$1.2 million lifetime maximum

## Transitional expense – **NEW**

In special circumstances, additional funds are available at ICBC's sole discretion for transitional expenses. These are funds that a claimant would otherwise not be entitled to from ICBC, such as providing temporary benefits while the individual is waiting for funds from another government program or insurer. ICBC may determine that paying the cost of a particular expense would not only significantly improve care and recovery, but would also mean positive long-term benefits in managing future care. For example, the transitional expense could cover costs associated with moving a patient from a hospital bed into a full-care facility while on the waitlist for a public care bed (facility). The maximum lifetime limit for this benefit is \$1.2 million.

# Death benefits

Death benefits and funeral expenses are provided in the event a British Columbian loses their life due to injuries from the crash. Enhanced Care accident benefits would provide increased death benefits for family members.

It is proposed that if an individual is fatally injured in a crash, their spouse and dependants would be provided a one-time lump-sum payment. The amount of these payments would be based on the person's age and income at the time of death. There would be minimum and maximum amounts. If the deceased didn't have a spouse but did have dependants, the dependants would equally share the spousal benefit and also receive the dependant benefit.

Proposed lump sum death benefits	Proposed maximum limits
Spouse (tied to deceased's age and income at time of death) or, if no spouse, any dependents	\$60,000 (minimum) \$500,000 (maximum)
Dependant (based on age of surviving dependent)	\$30,000 (minimum) \$60,000 (maximum)
Dependant with disabilities (based on age of surviving dependant and in addition to the dependent benefit noted above)	\$28,000
Non-dependant child or parent	\$14,000

## Funeral expenses

In addition to death benefits, ICBC would also provide funding to the deceased person's family to pay for funeral expenses—up to a proposed \$7,500.

## Grief counselling – *NEW*

This new benefit is to help pay counselling expenses for grieving family members and loved ones. The proposed maximum limit for this benefit is \$3,500.

# Optional coverages for accident benefits

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For the majority of British Columbians, the Enhanced Care coverage will provide all the care and support needed after being injured in a crash. However, as with any insurance coverage, there may be a few situations where a claimant would be left with a gap in coverage that could lead to an economic loss. For those situations, ICBC would offer optional coverage top-ups that drivers could purchase to reduce or eliminate any compensation shortfall. The optional coverages that will be available will depend on customer demand and needs, and may also be offered by private insurance companies.

Some potential examples include:

- ▶ income replacement for a high-income earner (e.g., coverage above the proposed maximum limit of \$1,200 per week);
- ▶ option to purchase gap coverage to provide wage loss coverage for waiting periods (because auto policies don't cover waiting periods);
- ▶ funeral and/or death benefit top-ups.

## Drivers still held accountable

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Similar care-based insurance systems, known elsewhere as no-fault insurance, already exist in both Manitoba and Saskatchewan—the only two jurisdictions in Canada that have been successful for years in having lower and more predictable rates. Moving to a no-fault insurance model doesn't mean that drivers won't be held accountable if found responsible for a crash. In fact, fault matters the same as it does today in determining how much a driver's insurance premium costs. "No-fault" simply means each driver's own policy will cover their own claim and that care and recovery benefits will be paid, no matter who is responsible (considered first-party coverage rather than third-party coverage).

The rate design changes introduced in B.C. on September 1, 2019 to ensure the insurance premium drivers pay more closely reflect their actual risk behind the wheel will still apply under the new system. ICBC will continue to determine who was at fault for a crash, and if a driver causes a crash, they will see their premiums go up.

Procedures will also be in place for British Columbians to hold the most dangerous drivers accountable. The new legislation, if passed, will say that if someone is injured in a crash caused by a driver who is convicted of certain *Criminal Code* offences (such as impaired driving), the injured person will still retain the right to sue that negligent driver for certain damages. The driver convicted of a *Criminal Code* offence may also be responsible for paying for some of the injured party's benefits.

Also similar to today, the new legislation would ensure British Columbians have the ability to sue certain other non-motorist parties for certain damages whose actions may have contributed to the injuries sustained in a crash, such as a pub owner or vehicle manufacturer.

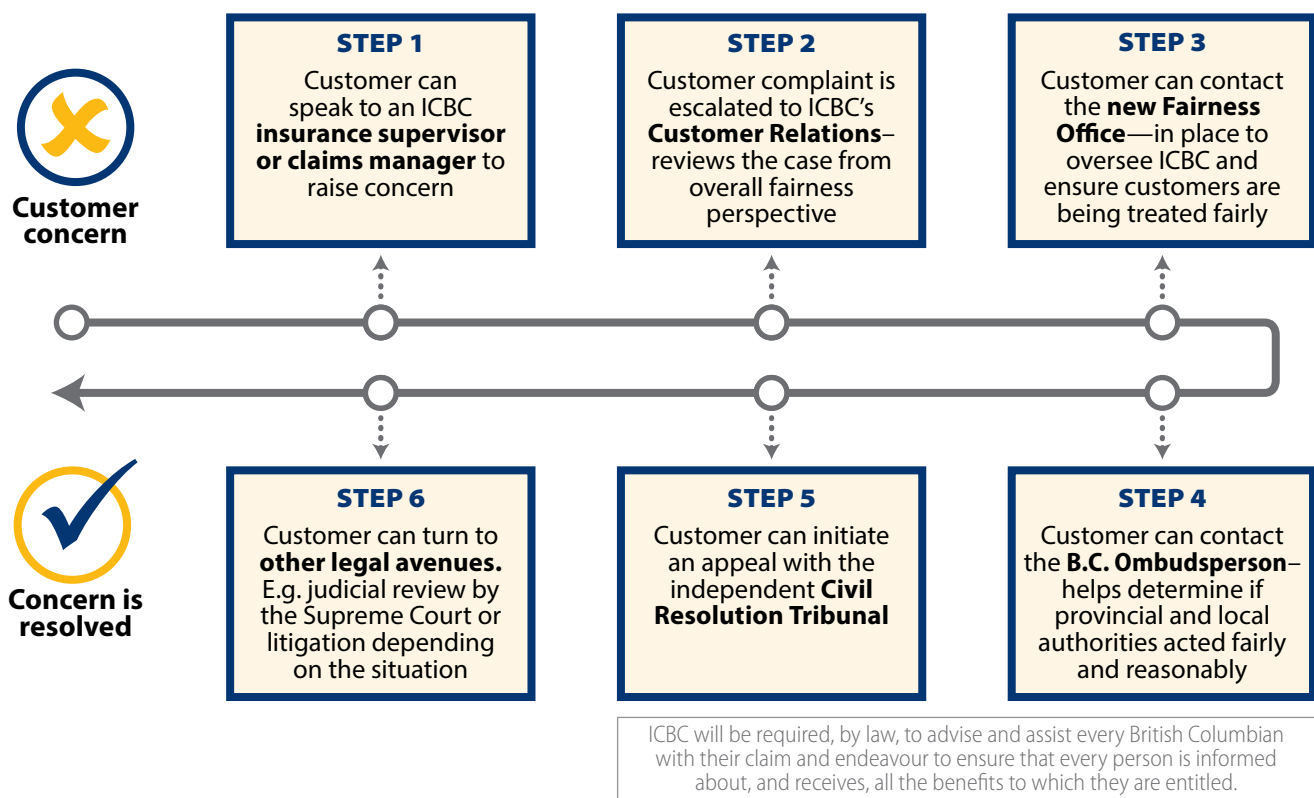
# Ensuring fairness and resolving disputes without legal action

We know British Columbians will want to be assured that they're being treated fairly and receiving all the benefits they're entitled to, particularly under a system where legal action, generally speaking, is not an option.

The Civil Resolution Tribunal (CRT), a tribunal independent from ICBC, will continue to provide dispute resolution separate from the courts if the claimant disagrees with an aspect of a claim, such as the entitlement to certain benefits. The CRT has been resolving ICBC claim disputes since April 2019, without the need and expense of the individual having to hire a lawyer.

The CRT is part of the public justice system. Its expert tribunal members are independent and neutral, and it is required to apply the law and make enforceable decisions. Parties can either accept the CRT decision or seek a judicial review of the CRT decision in the BC Supreme Court.

## Your options if you have concerns about ICBC



To help assure customers that ICBC will be fair and accountable to them, new legislation will include a requirement that ICBC must assist each claimant with making a claim and endeavor to ensure claimants are informed of, and receive, the benefits to which they are entitled.

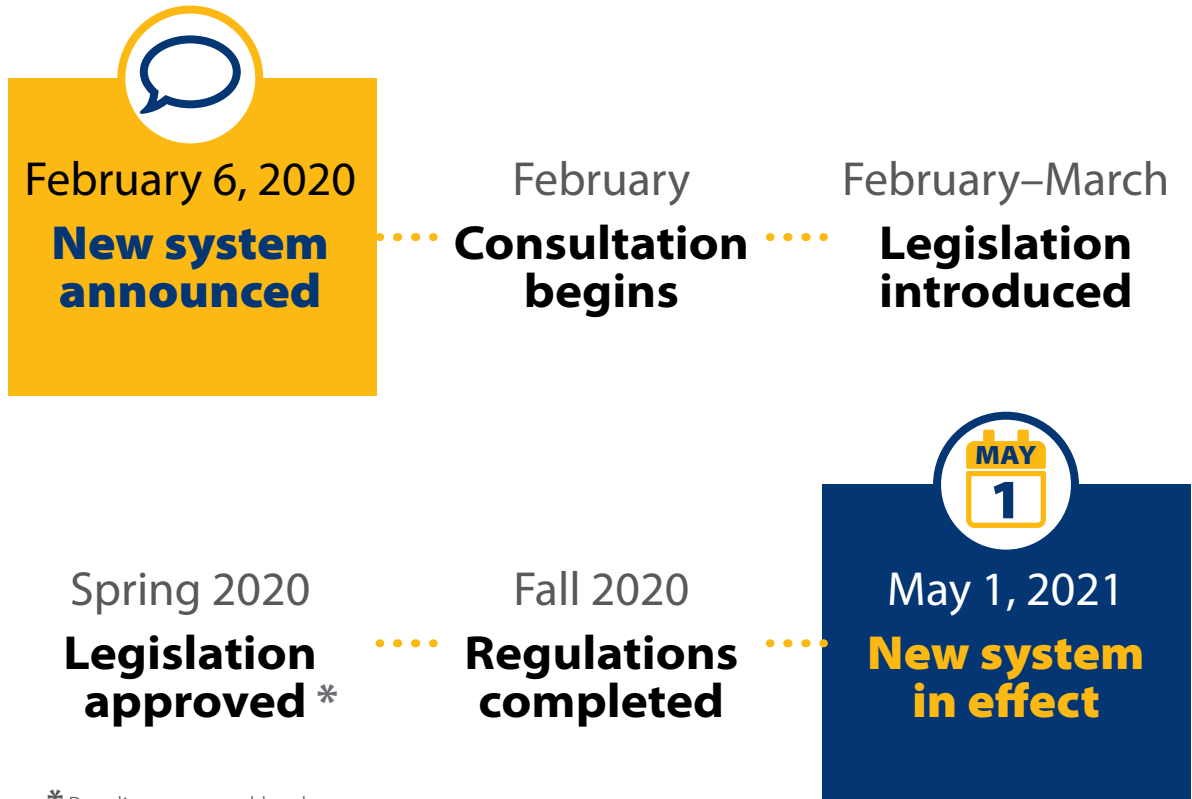
The B.C. government has also announced plans to establish a new Fairness Office with the authority to review and resolve ICBC customer complaints related to fairness, as well as be able to make recommendations to ICBC around policy and process.

# Next steps

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Government will be reaching out to various medical, healthcare, disability and other stakeholder organizations to arrange for feedback in person. Stakeholders who have feedback to provide will be able to do by April 30, 2020, via email to [AGAssocDM@gov.bc.ca](mailto:AGAssocDM@gov.bc.ca).

The planned timeline for the overall implementation of Enhanced Care coverage is below.



\* Pending approval by the Legislative Assembly and receipt of Royal Assent

