

**PROPOSED NEW *INSURANCE ACT* REGULATION –
ASSESSMENT OF EXPENSES INCURRED AND EXPENDITURES MADE BY THE
LICENCE APPEAL TRIBUNAL (LAT) IN RESPECT OF THE AIDRS**

- Bill 15, the *Fighting Fraud and Reducing Automobile Insurance Rates Act, 2014*, amended the *Insurance Act* to provide that the Lieutenant Governor in Council may, in accordance with the regulations, assess all insurers that have issued motor vehicle liability policies in Ontario for the expenses and expenditures of the Ministry of the Attorney General's Licence Appeal Tribunal (LAT) relating to statutory accident benefit disputes.
- A new regulation under the *Insurance Act* is proposed to provide for the assessment of automobile insurers for the expenses and expenditures of the LAT relating to statutory accident benefit disputes.
- LAT hearings will be either an oral hearing (in-person), electronic hearing (held by conference telephone call, video, or any other form of electronic technology allowing persons to hear or see and hear each other), or written hearing (by exchange of documents, whether in written form or by electronic means).
- It is proposed that an individual insurer's share of an assessment be determined in accordance with the following rules:
 1. **Points:** An insurer will be assigned points as follows:
 - a) **Applications:** Two points for each application to which the insurer is a party.
 - b) **Written hearings:** One point for each written hearing held by the Tribunal to which the insurer is a party.
 - c) **Electronic hearings:** (i) Two points for the first day or portion of a day of an electronic hearing to which the insurer is a party; and (ii) One point for each additional day or portion of a day of an electronic hearing to which the insurer is a party.
 - d) **Oral hearings:** (i) Four points for the first day or portion of a day of an oral hearing to which the insurer is a party; and (ii) One point for each additional day or portion of a day of an oral hearing to which the insurer is a party.
 2. **Exceptions:** An insurer shall not be assigned points in an assessment period if: (i) the parties settle the dispute, or the dispute is otherwise concluded, before the scheduled hearing and the hearing is cancelled in accordance with the applicable Tribunal rules, policies or procedures; or (ii) a scheduled oral or electronic hearing day is rescheduled in accordance with the applicable Tribunal rules, policies or procedures.

3. Calculation of an individual insurer's share of assessment:

- The total assessment amount will be determined by calculating all expenses incurred and expenditures made by the LAT in respect of the AIDRS for the assessment period, less any fees received from insurers and insured persons in respect of those disputes during the assessment period.
- An individual insurer's share of the assessment shall be determined by:
 - i. Dividing the total assessment amount
 - by**
 - ii. The total number of points assigned to all insurers during the assessment period
 - and multiplying this number by**
 - iii. The number of points assigned to the insurer during the assessment period
- It is proposed that assessments shall be made in six-month cycles beginning from the date of the first assessment (date to be determined).