
NEWS RELEASE

For Immediate Release
2018AG0025-000716
April 23, 2018

Ministry of Attorney General

ICBC legislation focuses on affordability and supporting crash victims

VICTORIA – The Government of British Columbia is introducing changes to legislation aimed at reversing ICBC’s skyrocketing legal and administrative costs, and making insurance rates more affordable for B.C. drivers, Attorney General David Eby announced today.

“Today’s legislation is about doing what’s best for B.C. drivers – both in what they pay for insurance and in making sure they get the best coverage if they’re injured,” said Eby. “For years, B.C. drivers have had to pay more and more simply to cover the spiralling legal and administrative costs at ICBC. We can’t right the past – but we can put ICBC back on track to deliver more affordable rates and better coverage for drivers moving forward.”

If approved by the legislature, the amendments to the Insurance (Vehicle) Act (IVA) and the Civil Resolution Tribunal Act (CRTA) will simplify dispute resolution processes for cases under \$50,000, allowing them to be resolved in as little as 90 days, where currently these disputes can last two to three years in B.C. Supreme Court.

A limit on pain and suffering damages for minor injuries will allow ICBC to redirect resources to increasing benefits for lost pay and medical rehabilitation for all people injured in accidents.

These changes also establish the framework for the first major improvements in accident benefits in more than 25 years, and will dramatically increase the care available for anyone injured in a crash, regardless of fault. It will introduce a limit of \$5,500 on pain and suffering payouts for minor injury claims.

“It is unacceptable, not just that British Columbians faced skyrocketing rates while ICBC lost hundreds of millions of dollars, but also that benefits for injured drivers, passengers, cyclists and pedestrians have been frozen in time for a quarter century,” said Eby. “We are rebalancing where ICBC premium dollars go. We’re shifting the money out of administration, expert reports and court processes, and into driver’s pockets through stable rates and better benefits.”

If approved, the majority of amendments to both acts would become effective April 1, 2019.

Quick Facts:

- These changes will result in faster resolution of disputes and a reduction in the amount ICBC spends on legal fees and expenses, which have grown to 24% of ICBC’s total annual costs.
- Savings from the amendments and future regulation changes, net of increased accident benefits and implementation costs, are estimated to reduce ICBC’s claims costs by more than \$1 billion every year.
- These changes are necessary to help address the massive growth of injury costs in B.C.,

which have increased 80% between 2009 and 2016, from \$1.5 billion to \$2.7 billion.

Learn More:

ICBC product changes announced Feb. 6, 2018:

<https://news.gov.bc.ca/releases/2018ag0003-000164>

Two backgrounders follow.

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BACKGROUND 1

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Amendments to Insurance (Vehicle) Act

As announced in February, changes are being made to the basic insurance system in British Columbia that increase accident benefits for injured customers, introduce a limit on payouts for pain and suffering on minor injury claims and give the Civil Resolution Tribunal jurisdiction to resolve disputes concerning certain motor vehicle injury claims.

The Insurance (Vehicle) Act concerns universal compulsory vehicle insurance.

Legislative amendments introduced include:

- Provisions to limit, by regulation, the amount a claimant can recover as damages to pain and suffering arising from a minor injury and will define in more detail, through regulation, what is a minor injury.
- The foundation for the new legal definition for what constitutes a minor injury in B.C. and lists abrasions, contusions, lacerations, sprains and strains, pain syndrome, psychological and psychiatric conditions or an injury in a prescribed class of injury, even if chronic. This will be further defined in regulation over the coming months.
- Increases to ICBC's accident benefits will be defined in regulations, along with the retroactivity of overall medical care and recovery costs to Jan. 1, 2018.
- Benefits payable for services provided by health-care practitioners will be established by regulation. To ensure the fee amounts are current and fair, the fee amounts must be reviewed every five years.
- The amendments provide mechanisms for ICBC to no longer reimburse other insurance companies, with the exception of WorkSafeBC and Medical Services Plan, for their payments to customers.
 - Today, customers can receive benefits from other insurance companies – not just ICBC – after a crash. For example, they may receive wage-loss benefits or extended health care from their employer.
 - Most insurance companies have agreements in place where the customer has to pay back these benefits if ICBC also pays for these expenses. With these changes, ICBC will not pay the other insurance company for the same benefit they have already provided.
 - Customers should not be adversely affected. They will continue to receive the same benefits with these changes; the difference is the insurance company covering the expense.

These changes will help keep auto insurance rates more affordable for drivers in British Columbia, while increasing the treatment and care available to anyone injured in a crash.

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BACKGROUND 2

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Amendments to the Civil Resolution Tribunal Act

The Civil Resolution Tribunal Act (2012) established a new dispute resolution body that provides an accessible forum for the resolution of disputes. The Civil Resolution Tribunal (CRT) encourages people to use a broad range of collaborative dispute resolution tools to resolve disputes as early as possible. The CRT currently hears strata property (condominium) disputes of any amount and small claims disputes \$5,000 and under.

Legislative amendments introduced will:

- Expand the CRT's scope to include making decisions on the following matters, where there is disagreement between the customer and ICBC:
 - The classification of an injury as minor injury;
 - The entitlement to receive accident benefits claimed; and
 - Liability and quantum decisions for motor vehicle injury claims below a threshold that will not exceed \$50,000.
- Allow lawyers to represent parties in motor vehicle claims, as ICBC will be represented by experienced adjusters.
- Limit recovery of fees and expenses to what a person would be entitled to in the CRT, if a case valued below \$50,000 is adjudicated in the B.C. Supreme Court.
- Give CRT regulation- and rule-making power to limit experts and the power to require a single joint expert.

Other legislative amendments were also introduced unrelated to motor vehicle injury disputes:

- Cases heard regarding non-profit societies and co-operative associations will include routine disputes, such as access to records and the holding of meetings. Complex matters, such as amalgamations and dissolution, as well as disputes with business cooperatives, will remain within B.C. Supreme Court jurisdiction.
- Improvements to reduce costs, complexity and delay associated with the resolution of cases include:
 - Correction of a provision that could result in a party missing a limitation period in default decisions
 - Repeal notice of objection process for tribunal small claims default orders.
 - Repeal facilitation-only jurisdiction so that the CRT will issue a decision that is enforceable by the courts.
 - Set time limits for judicial review proceedings.
 - Provide that the CRT is an expert tribunal for all matters except general small claims and motor vehicle liability issues.
 - Apply acts that affect litigation in court to litigation in the CRT.

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