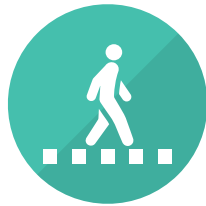




PROPOSED INSURANCE CONTRIBUTIONS



FOR
2019
—
2021



Direction des communications
December 2017
Legal deposit – 4th quarter 2017
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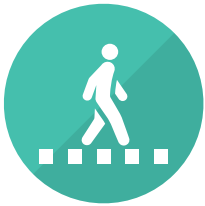


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Message From the Chair of the Board of Directors

Over the past year, the Board of Directors of the Société de l'assurance automobile du Québec (SAAQ) has carried out an in-depth analysis of all the factors affecting the financial situation of Québec's public automobile insurance plan. The proposal laid out in this discussion document respects the guiding principles behind Québec's public automobile insurance plan and is in keeping with the orientations adopted further to past reviews of insurance contributions.

The Board of Directors considers that the insurance contributions proposed for 2019-2021 will serve to protect the sustainability of the plan, while emphasizing the relationship between drivers' behaviour and their insurance contributions.

On behalf of the Board of Directors, I am submitting the draft amendments to the *Regulation respecting insurance contributions* to the Panel of Experts on Automobile Insurance Contributions, and I invite everyone to participate in the public consultations that will be held to discuss them.

Your comments and suggestions will be analyzed carefully.

Lorna Telfer
Chair of the Board of Directors



Message From the President and Chief Executive Officer

March 1, 2018 will mark the 40th anniversary of Québec's public automobile insurance plan.

The plan has been an unequivocal success—not only with traffic accident victims, who now have superior coverage, but also with contributors, whose insurance contributions remain the lowest in Canada, year in and year out.

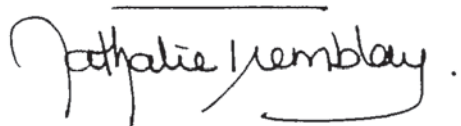
In order to ensure fairness among contributors and safeguard the plan's long-term financial solidity, it is important to review insurance contributions every three years.

The insurance contributions proposed for 2019-2021 reflect fluctuations in the road safety record and highlight once again the direct relationship between drivers' behaviour and their insurance contributions. In addition, use of some of the plan's accumulated surplus will help keep contributions down, without compromising the sustainability and fairness of the plan.

In 2019, the vast majority of driver's licence holders and vehicle owners will not pay higher insurance contributions than they did in 2018.

The SAAQ remains committed to its ongoing efforts to improve the road safety record and the services it provides.

I invite you to read the SAAQ's proposal. The Panel of Experts on Automobile Insurance Contributions will hold public consultations on the proposal and then file its recommendations in the spring of 2018.



Nathalie Tremblay, FCPA, FCA
President and Chief Executive Officer





Introduction

Financial management of Québec's public automobile insurance plan is carried out with a long-term perspective¹ and is influenced by a combination of factors, the most significant of which are the road safety record and economic conditions. The plan must therefore be reviewed periodically to ensure that it remains financially solid and continues to be fair for traffic accident victims, vehicle owners and drivers.

In the 2015 review, the SAAQ set contribution levels until December 31, 2018. The purpose of this discussion document is to take stock of the plan's financial situation and propose the insurance contributions for 2019-2021.

This document provides an overview of the changes in the plan's financial situation since 2004, followed by a presentation of the proposed insurance contribution levels for 2019-2021. It concludes with an overview of the work the SAAQ intends to pursue in order to ensure the plan continues to evolve.

1. The principles set forth in the *Sustainable Development Act* were taken into consideration in this review of insurance contributions.

CHAPTER 1



QUÉBEC'S PUBLIC AUTOMOBILE INSURANCE PLAN

The Origins of the Plan

The Automobile Insurance Act came into force on March 1, 1978. With this piece of legislation, the Government resolved many deficiencies inherent to the automobile insurance situation in Québec at the time:

- The existing fault-based (tort) system did not compensate all accident victims and was very expensive.
- Fault was difficult to establish.
- Settlements took too long.
- Injury and damages were poorly compensated.
- Compensation awarded by the courts did not guarantee that accident victims would enjoy a long-term standard of living that was comparable to their situation before the accident.

In addition, 28% of traffic accident victims did not receive any compensation, because:

- they could not afford legal proceedings;
- the guilty driver was insolvent; or
- the amounts they were awarded only covered their legal fees.

In 1977, 25% of drivers were uninsured. Today, all Quebecers are covered for bodily injury sustained in an accident involving a road vehicle anywhere in the world.

An Unequivocal Success After Nearly 40 Years

The plan is:

- **Simple:** The only criterion to be eligible for compensation is to establish a connection between bodily injury and a traffic accident.
- **Universal:** All Quebecers are eligible, regardless of fault or whether the accident occurred in Québec or elsewhere in the world.
- **Efficient:** The SAAQ immediately takes charge of accident victims and provides them with assistance and support throughout the rehabilitation process—this support is available for the remainder of their lives if need be.
- **Inexpensive:** Contributions (the equivalent of premiums in private plans) are the lowest in Canada.

The insurance plan provides compensation for economic loss sustained by an accident victim as a result of an accident. Non-economic losses, such as a diminished quality of life, are also compensated. The plan includes measures that address the rehabilitation needs of accident victims, with a view to helping them resume their usual activities and return to work. Appendix A provides an overview of the main types of compensation provided by Québec's public automobile insurance plan. Several other jurisdictions have based their own plans on the Québec model, including Manitoba, Saskatchewan and Australia.

The SAAQ: A model that puts Quebecers first

The SAAQ's model is unique. By bringing together prevention, control over access to the road network, control of the transportation of people and goods and compensation of traffic accident victims, this model allows Quebecers to benefit from a very advantageous public insurance plan. According to the Insurance Bureau of Canada, average insurance contributions in Québec are the lowest in the country, and the SAAQ has the lowest administrative cost per compensation dollar paid when compared with that of similar public bodies in the rest of Canada (see Appendix B).

Average insurance contributions in Québec are the lowest in the country, and the SAAQ has the lowest administrative cost per compensation dollar paid when compared with that of similar public bodies in the rest of Canada.

CHAPTER 2

CHANGES IN THE FINANCIAL SITUATION



Two indicators are key to understanding the plan's financial situation:

- **The financing ratio** indicates whether the revenue for a given year is sufficient to cover costs related to accidents occurring in that same year. The financing ratio must be 100% each time insurance contributions are reviewed.
- **The funding ratio** indicates whether assets are sufficient to cover the indemnities to be paid out to traffic accident victims, as well as administrative costs. It is important to note that the practice among public insurance bodies is to target a funding ratio that exceeds 100% (see Appendix C). To ensure the plan remains financially solid and able to meet its commitments to accident victims, it was determined that the funding ratio should be between 100% and 120%: this is called a “stabilization corridor.”

The Findings in 2004: A Disconcerting Financial Situation

- The road safety record had been deteriorating since 2000, with an alarming annual average of nearly 700 fatalities, 4,000 people who sustained serious injuries and 44,000 others who sustained minor injuries.
- Processing times for accident victim claims were long, generating a high volume of complaints and longer disability periods.
- The plan was under-financed, with revenue for a given year insufficient to cover accident-related expenses for that same year. This annual under-financing of nearly \$500 million translated into a financing ratio of 59%.
- The plan was underfunded for the first time in its history. The funding ratio had fallen to 92%, which meant that for every dollar paid to accident victims, only 92 cents were available in the plan's fund.

It was determined that if no structuring action were taken, funding would dry up in 2018, and the automobile insurance plan would be faced with a commitment to pay \$15 billion in indemnities to traffic accident victims. The plan's sustainability was in jeopardy and corrective action was required.

In 2004, the government made a significant move: it created a fund called the "Fonds d'assurance automobile du Québec." With the creation of this fund, insurance contributions became a trust patrimony distinct from other government activities. Furthermore, the SAAQ was required to end the under-financing of the plan by the end of 2015, and to eliminate any deficit within 15 years. It was also required to submit any changes to insurance contributions to an independent panel of experts that would then hold public consultations regarding the proposed changes.

The strategy that was adopted aimed to end under-financing and subsequently tackle underfunding by undertaking actions targeting three main areas:

- **The road safety record**

The goal was to bring the number of road accident victims back down to 2001 levels.

- **The costs of the plan**

The goal was to both control increasing costs and improve the quality of service through an overhaul of compensation practices so as to reduce processing times, modulate services to better adapt them to the needs of accident victims, ensure better management of disability periods and, ultimately, help accident victims return to their pre-accident activities.

- **Insurance contributions**

The goal was to have insurance contributions reflect the road safety record and be indexed annually.

The overhaul of compensation practices and the efforts to improve the road safety record began bearing fruit by the end of 2010. The Fonds d'assurance automobile du Québec recorded a financing surplus of \$207.1 million, bringing the financing ratio to 122%. The under-financing problem was thus settled, well before the 2015 deadline prescribed by law.

However, the issue of the plan's underfunding remained. In 2008, the Fonds d'assurance automobile du Québec posted a cumulative deficit of \$2.7 billion—representing a funding ratio of 69%—as a consequence of the financial crisis. The SAAQ was required to eliminate this deficit by 2023.

It was therefore decided to use the financing surplus to solve the underfunding problem. A portion of the insurance contributions paid by vehicle owners and driver's licence holders was therefore allocated to recapitalization efforts in 2013, 2014 and 2015.

Financial Solidity Assured Since 2013

At the end of 2013, the Fonds d'assurance automobile du Québec posted a surplus of \$1.1 billion and a funding ratio of 108%. These results far exceeded expectations and allowed the cumulative deficit to be eliminated 10 years ahead of schedule. Furthermore, the plan posted a financing ratio of 131%, which allowed the SAAQ to lower its annual revenue from insurance contributions by \$394 million in 2016, 2017 and 2018. For the first time, drivers saw how their behaviour affected their insurance contributions and how “Caution pays off!”

In 2016, investment income allowed the plan to post a \$2.8 billion surplus, thereby increasing the funding ratio to 132% and exceeding the targeted stabilization corridor. As for the financing ratio, it was at 101% in 2016.

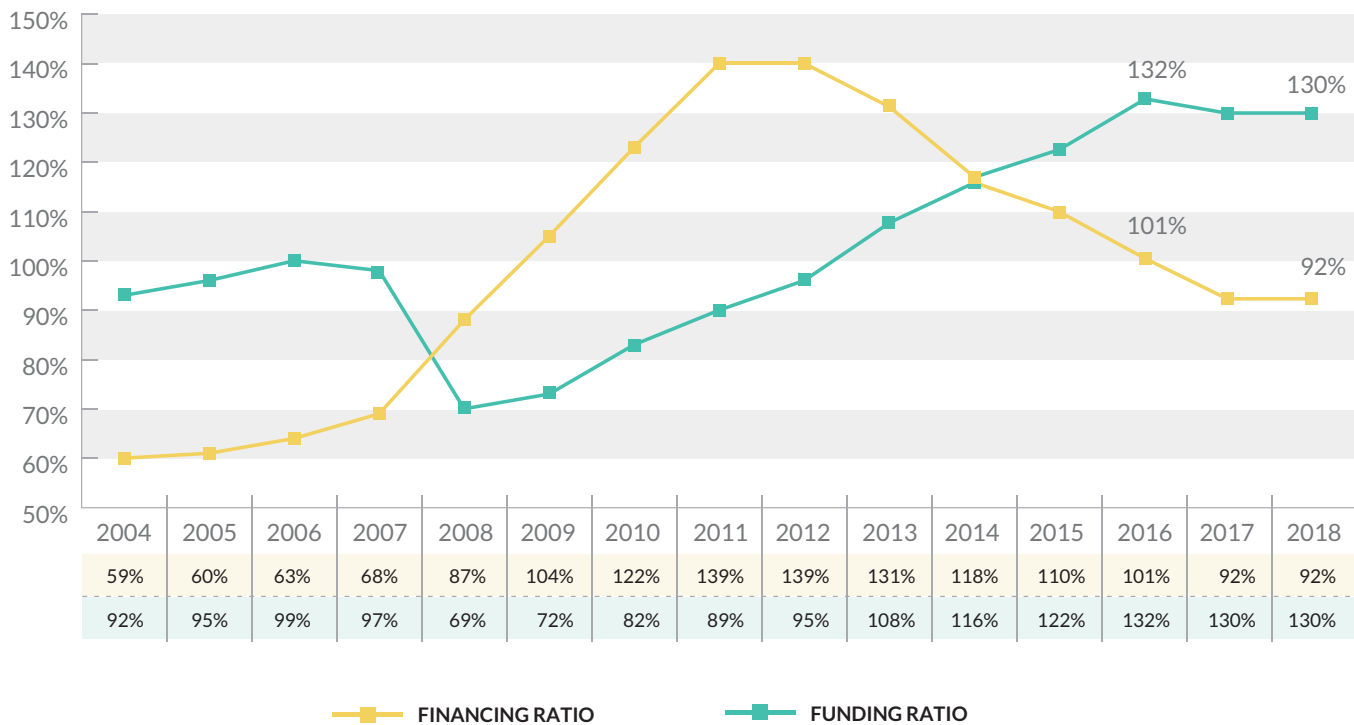


Projected Financial Situation in 2018

At the end of 2018, the financing ratio is expected to be around 92%. This can be explained in part by the fact that the road safety record has not improved as much as anticipated, remaining in fact pretty much unchanged. Another reason for this drop is that fact that, while the road safety record has remained unchanged, there has been a recent increase in the number of claims.

As for the funding ratio, it is expected to be at about the same level as in 2016 (130%), thanks to the projected returns on the cumulative surplus (based on the predictions of the Caisse de dépôt et placement du Québec). This high funding ratio confirms the plan's financial solidity.

Changes in the Financial Situation from 2004 to 2018



CHAPTER 3



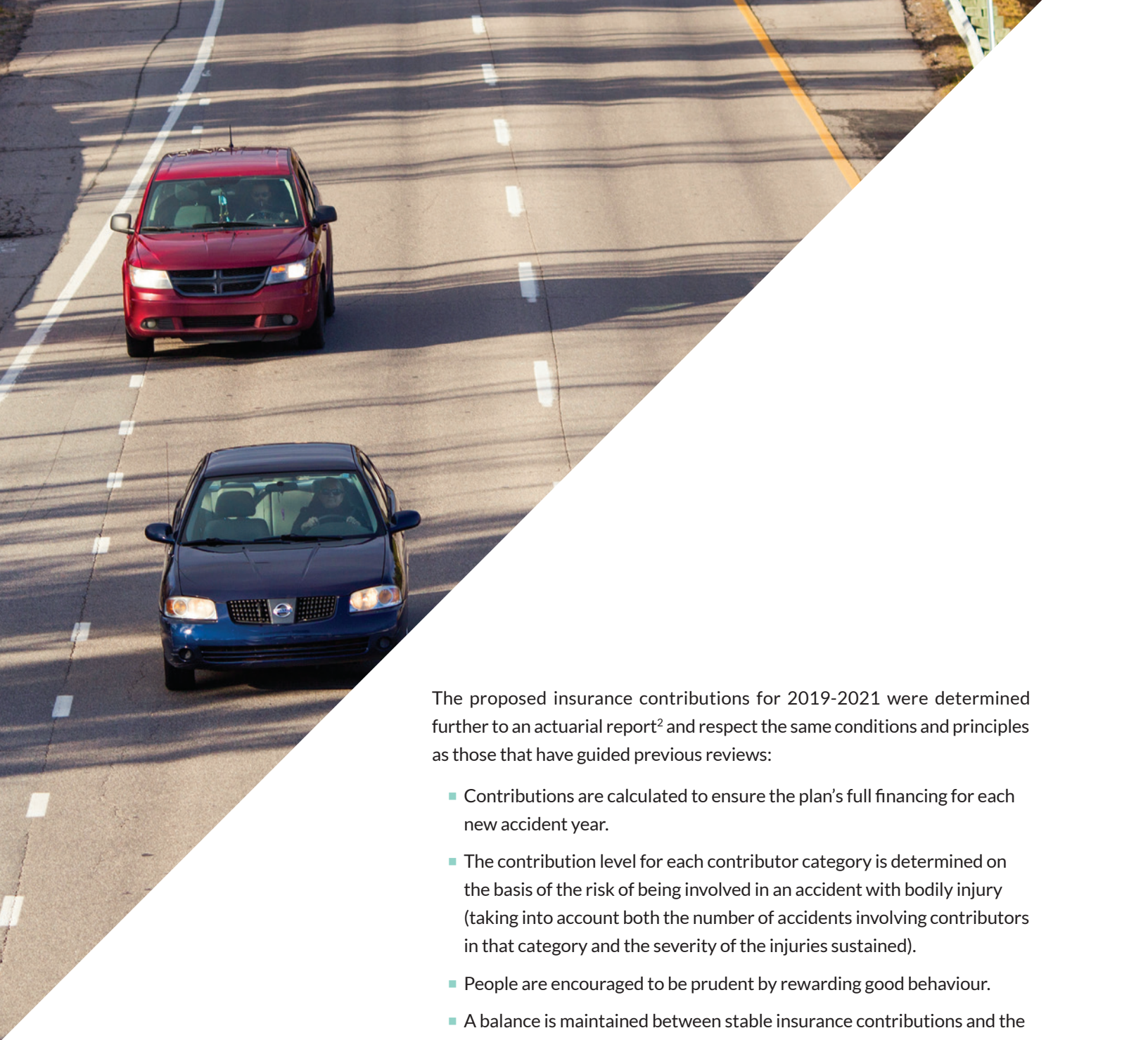
INSURANCE CONTRIBUTIONS 2019-2021

In a context where the financing ratio must be brought back to 100% each time insurance contributions come up for review, the proposed contributions take into account fluctuations in the road safety record in recent years. This serves to remind all drivers and vehicle owners of how their behaviour directly affects the amounts they pay in insurance contributions.

Given that the projected funding ratio exceeds the targeted stabilization corridor (100-120%), the SAAQ proposes to use a portion of the \$90 million funding surplus in 2019, 2020 and 2021. This will make it possible to meet financing requirements that are unrelated to the road safety record, while at the same time proceeding with caution given the uncertainty of financial markets. Everyone will benefit, except learner drivers. By drawing on the funding surplus, the SAAQ will be able to lower insurance contributions by \$12.68 for the vast majority of passenger vehicle drivers and owners, compared to what they would otherwise have had to pay.

Driver's licence holders who have no demerit points will therefore pay the same amount in insurance contributions in 2019 as they did in 2018—whether or not they own a passenger vehicle—provided the road safety record has stayed essentially unchanged for their class of licence. When it comes to vehicle registration, in cases where the road safety record has improved for a particular category of vehicle, owners of those vehicles may see their insurance contributions go down. This is the case, for example, for owners of commercial vehicles (F licence plates).

With the proposed insurance contributions, it will be possible to achieve full financing and maintain a funding ratio that will ensure the plan's financial solidity over the long term, while at the same time ensuring that insurance contributions continue to be determined fairly.



The proposed insurance contributions for 2019-2021 were determined further to an actuarial report² and respect the same conditions and principles as those that have guided previous reviews:

- Contributions are calculated to ensure the plan's full financing for each new accident year.
- The contribution level for each contributor category is determined on the basis of the risk of being involved in an accident with bodily injury (taking into account both the number of accidents involving contributors in that category and the severity of the injuries sustained).
- People are encouraged to be prudent by rewarding good behaviour.
- A balance is maintained between stable insurance contributions and the plan's financial solidity.
- There is no discrimination on the basis of age, sex or region.
- The cost of an accident is allocated equally among the categories of the vehicles involved in the accident.
- The annual increase is limited to 15%, to which an additional increase may be added based on financing requirements.

2. The actuarial report (in French only) can be consulted on the SAAQ website at saaq.gouv.qc.ca/en/traffic-accident/public-automobile-insurance-plan/insurance-contributions.

Insurance Contributions 2019-2021

The proposed insurance contributions for 2019 are presented below.

The contributions for 2020 and 2021 are indexed 2019 contributions.

Passenger Vehicles

Class 5 Driver's Licence

LICENCE	2018 Contribution (\$)	2019 Contribution			Difference (\$)	Number of Licence Holders
		Financing (\$)	Funding* (\$)	Total (\$)		
REGULAR OR PROBATIONARY LICENCE						
With no demerit points	\$56.87	\$72.03	-\$15.16	\$56.87	\$0	4,314,000
1 to 3 demerit points	\$92.66	\$112.12	-\$15.16	\$96.96	\$4.30	887,000
4 to 6 demerit points	\$127.78	\$159.75	-\$15.16	\$144.59	\$16.81	240,000
7 to 9 demerit points	\$155.52	\$188.74	-\$15.16	\$173.58	\$18.06	69,000
10 to 14 demerit points	\$173.99	\$196.08	-\$15.16	\$180.92	\$6.93	29,000
15 or more demerit points	\$333.78	\$374.56	-\$15.16	\$359.40	\$25.62	5,000
LEARNER'S LICENCE	\$18.31	\$25.20	Not applicable	\$25.20	\$6.89	250,000
RESTRICTED LICENCE**	\$115.51	\$157.62	-\$15.16	\$142.46	\$26.95	7,000

Vehicle Registration

2018 Contribution (\$)	2019 Contribution			Difference (\$)	Number of Vehicles
	Financing (\$)	Funding* (\$)	Total (\$)		
\$65.54	\$63.06	+\$2.48	\$65.54	\$0	5,014,000

* The combined funding amounts for a driver's licence and vehicle registration results in a \$12.68 reduction in the overall contribution.

** Licence that only authorizes driving a vehicle equipped with an alcohol ignition interlock device.

Motorcycles

Class 6 Driver's Licence, If the Licence Holder Also Holds a Class 5 Licence

LICENCE	2018 Contribution (\$)	2019 Contribution			Difference (\$)	Number of Licence Holders
		Financing (\$)	Funding* (\$)	Total (\$)		
REGULAR OR PROBATIONARY LICENCE						
With no demerit points	\$63.33	\$65.55	-\$2.22	\$63.33	\$0	352,000
1 or more demerit points	\$101.99	\$105.56	-\$2.22	\$103.34	\$1.35	156,000

Class 6 Driver's Licence Only

LICENCE	2018 Contribution (\$)	2019 Contribution			Difference (\$)	Number of Licence Holders
		Financing (\$)	Funding* (\$)	Total (\$)		
REGULAR OR PROBATIONARY LICENCE						
With no demerit points	\$63.33	\$65.55	-\$2.22	\$63.33	\$0	Fewer than 500
1 to 3 demerit points	\$101.99	\$105.56	-\$2.22	\$103.34	\$1.35	
4 to 6 demerit points	\$137.35	\$142.16	-\$2.22	\$139.94	\$2.59	
7 to 9 demerit points	\$184.34	\$190.79	-\$2.22	\$188.57	\$4.23	
10 to 14 demerit points	\$211.56	\$218.96	-\$2.22	\$216.74	\$5.18	
15 or more demerit points	\$435.77	\$451.02	-\$2.22	\$448.80	\$13.03	
LEARNER'S LICENCE	\$20.52	\$21.24	Not applicable	\$21.24	\$0.72	33,000

* The combined funding amounts for a driver's licence and vehicle registration results in a \$12.68 reduction in the overall contribution.

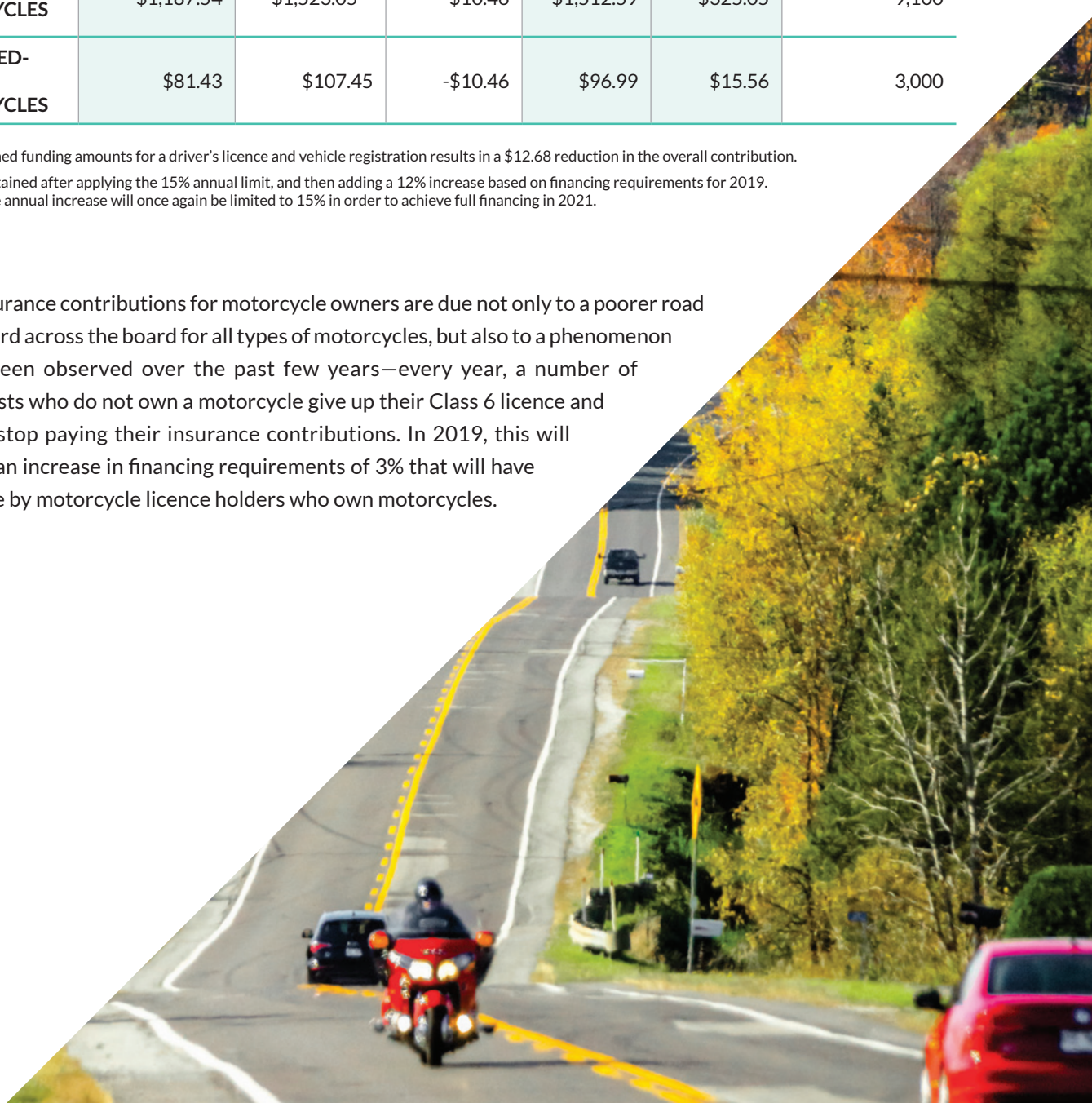
Vehicle Registration

TYPE OF MOTORCYCLE	2018 Contribution (\$)	2019 Contribution			Difference (\$)	Number of Motorcycles
		Financing (\$)	Funding* (\$)	Total (\$)		
REGULAR MOTORCYCLES – Cylinder capacity						
125 cc or less (11 kW)	\$184.12	\$229.98	-\$10.46	\$219.52	\$35.40	3,100
126 to 400 cc (12 to 35 kW)	\$344.62	\$407.65	-\$10.46	\$397.19	\$52.57	14,600
Over 400 cc (over 35 kW)	\$489.89	\$579.86	-\$10.46	\$569.40	\$79.51	194,200
HIGH-RISK MOTORCYCLES	\$1,187.54	\$1,523.05**	-\$10.46	\$1,512.59	\$325.05	9,100
RESTRICTED-AREA USE MOTORCYCLES	\$81.43	\$107.45	-\$10.46	\$96.99	\$15.56	3,000

* The combined funding amounts for a driver's licence and vehicle registration results in a \$12.68 reduction in the overall contribution.

** Amount obtained after applying the 15% annual limit, and then adding a 12% increase based on financing requirements for 2019. In 2020, the annual increase will once again be limited to 15% in order to achieve full financing in 2021.

Higher insurance contributions for motorcycle owners are due not only to a poorer road safety record across the board for all types of motorcycles, but also to a phenomenon that has been observed over the past few years—every year, a number of motorcyclists who do not own a motorcycle give up their Class 6 licence and therefore stop paying their insurance contributions. In 2019, this will represent an increase in financing requirements of 3% that will have to be borne by motorcycle licence holders who own motorcycles.



Other Vehicles

Vehicle Registration

Vehicle Category		2018 Contribution (\$)	2019 Contribution			Difference (\$)	Number of Vehicles	
			Financing (\$)	Funding (\$)	Total (\$)			
Buses	School buses	\$156.30	\$176.62	-\$12.68	\$163.94	\$7.64	10,700	
	City buses (members of the ATUQ)	\$1,684.33	\$1,952.20	-\$12.68	\$1,939.52	\$255.19	3,900	
	Other buses	10,000 kg or less	\$169.64	\$207.52	-\$12.68	\$194.84	\$25.20	3,700
		More than 10,000 kg	\$1,008.80	\$1,128.60	-\$12.68	\$1,115.92	\$107.12	1,300
	Trucks	Trucks other than those belonging to the government or a government body	2 axles	\$105.84	\$114.22	-\$12.68	\$101.54	-\$4.30
3 or 4 axles			\$172.35	\$188.45	-\$12.68	\$175.77	\$3.42	37,600
5 or more axles			\$299.94	\$379.26	-\$12.68	\$366.58	\$66.64	47,100
Trucks belonging to the government or a recognized government body, or farm vehicles over 3,000 kg		2 axles	\$87.66	\$95.02	-\$12.68	\$82.34	-\$5.32	2,400
		3 or 4 axles	\$112.68	\$129.34	-\$12.68	\$116.66	\$3.98	3,000
		5 or more axles	\$176.33	\$191.52	-\$12.68	\$178.84	\$2.51	2,000
Restricted-area use vehicles		\$31.20	\$30.31	-\$12.68	\$17.63	-\$13.57	3,000	
Mopeds or scooters		\$254.21	\$243.17	-\$12.68	\$230.49	-\$23.72	30,400	
Vehicles operated under a territorial licence		\$77.13	\$76.92	-\$12.68	\$64.24	-\$12.89	1,400	
Vehicles with a dealer plate		\$128.33	\$131.89	-\$12.68	\$119.21	-\$9.12	19,100	
Taxis		\$738.92	\$816.22	-\$12.68	\$803.54	\$64.62	8,500	
Farm tractors		\$17.13	\$20.99	-\$12.68	\$8.31	-\$8.82	149,300	
Commercial vehicles (F licence plates)								
	Other than farm vehicles	\$87.90	\$87.51	-\$12.68	\$74.83	-\$13.07	513,900	
	Farm vehicles up to 3,000 kg	\$88.53	\$84.35	-\$12.68	\$71.67	-\$16.86	20,900	

CHAPTER

4



ENSURING THE FUTURE OF A TRIED AND TESTED PLAN

Over the past few years, the analysis conducted by the SAAQ—based among other things on trends in the insurance industry and the recommendations of the Panel of Experts—have led it to reaffirm that the plan’s management must strike a fair balance over the long term among services provided to accident victims, the road safety record and insurance contribution levels. Forty years after it was created, the plan is an unequivocal success and the SAAQ wants to keep building on that success.

Providing Services to Traffic Accident Victims

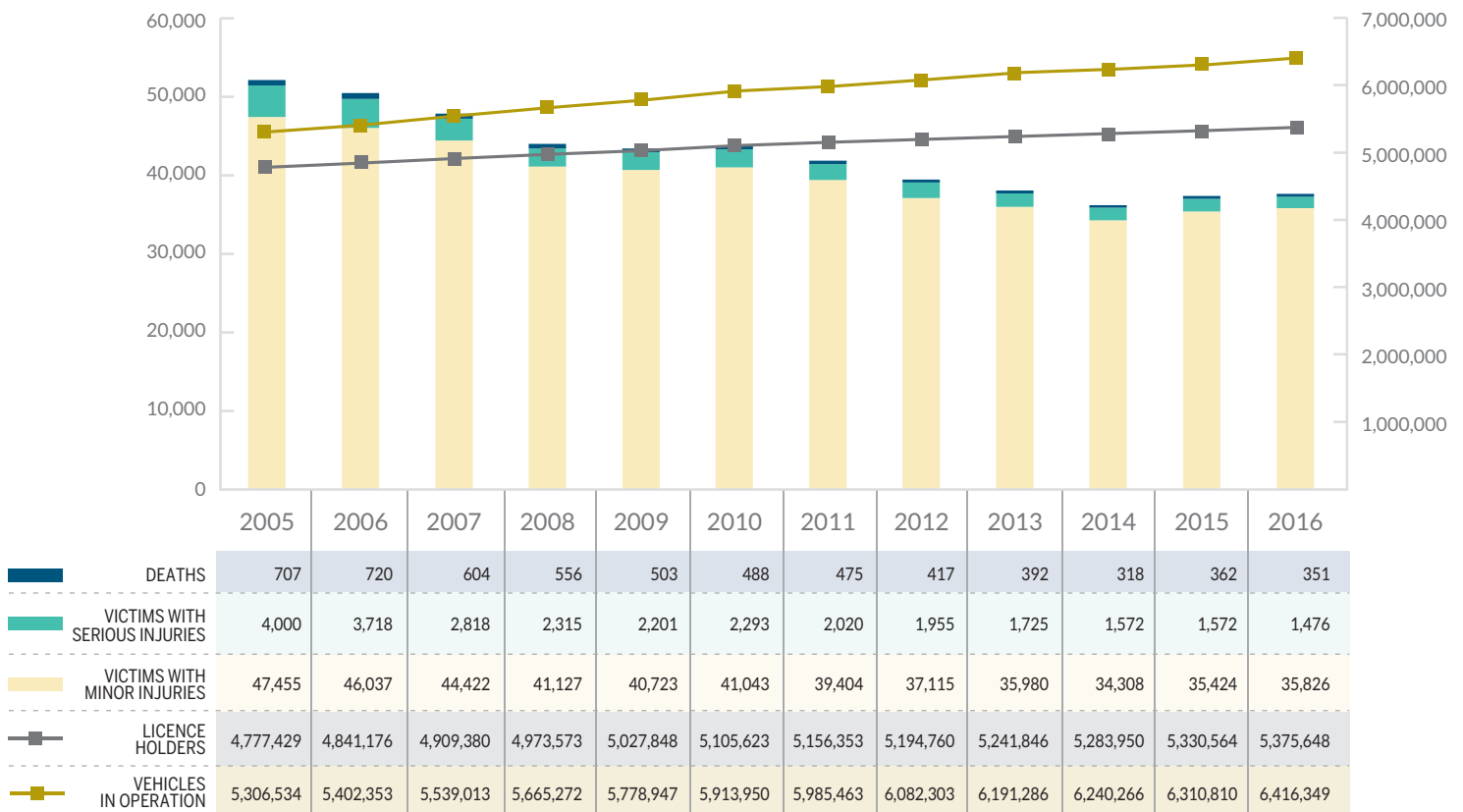
The SAAQ has always been committed to providing high-quality services to accident victims, with the goal of helping them resume their pre-accident activities and ensuring an appropriate level of coverage. In 2014, insurance coverage for traffic accident victims was adjusted to \$200 million. Over the coming years, the SAAQ will continue its efforts to maintain adequate insurance coverage.

Continuing to Improve the Road Safety Record

On the whole, Québec's road safety record has improved since 2005. Raising awareness among drivers and vehicle owners, enactment of tougher and better targeted legislation and stricter enforcement have allowed the SAAQ and its partners to reduce the number of accidents, deaths and injuries. However, when it comes to road safety, nothing can be taken for granted. While it may be increasingly difficult to improve the road safety record, there is still room to do better. One of the goals identified in the SAAQ's strategic plan is to reduce, by 2020, the number of deaths per 100,000 inhabitants from 4.4 to 3.5, and the number of seriously injured accident victims per 100,000 inhabitants from 19.8 to 16.3.

To achieve this goal, the SAAQ will continue to build upon the efforts made at the time of the last review of insurance contributions to raise awareness of the relationship between insurance contributions and driver behaviour. Seventy-eight percent³ of Quebecers currently recognize that their behaviour affects the amount they pay in insurance contributions.

Changes in the Road Safety Record From 2005 to 2016



3. Survey data.

One Step Closer to Rewarding Good Behaviour

The SAAQ has already expressed its intention to take steps toward rewarding good driver behaviour. The public consultation on road safety held at the beginning of 2017⁴ revealed that 90% of respondents agreed with that orientation.

Programs that reward safe road behaviour have been in existence for about 15 years, and include those in Manitoba⁵ and Saskatchewan.⁶ Under these programs, automobile insurance discounts are awarded and penalties are imposed based on each driver's rating on a driver safety scale. In Manitoba, for example, drivers can save between \$15 and \$45 on their driver's licence premiums, or pay penalties ranging from \$100 to \$2,500, depending on their driver safety rating.

The SAAQ intends to draw inspiration from these programs as it carries out further analysis with a view to proposing a Québec-specific model that would apply to all drivers, including heavy vehicle drivers and heavy vehicle owner-operators.

4. Société de l'assurance automobile du Québec (2017). *Public Consultation Summary Document*, p. 18. Retrieved from consultation.saaq.gouv.qc.ca/wp-content/uploads/2017/06/summary-document-public-consultation.pdf.

5. Manitoba Public Insurance. *Driver Safety Rating: Better value for safe drivers*. Retrieved from www.mpi.mb.ca/en/DL/DL/DSR/Pages/DSROverview.aspx.

6. Saskatchewan Government Insurance. *Safe Driver Recognition (SDR) program*. Retrieved from www.sgi.sk.ca/individuals/registration/rates/sdr/index.html.





CONCLUSION

The SAAQ has conducted a comprehensive review of the financial situation of Québec's public automobile insurance plan.

Insurance contributions are a source of financing intended to cover the costs of the automobile insurance policy for bodily injury for all Quebecers, wherever they may be in the world. Not only do these insurance contributions ensure that accident victims receive very advantageous benefits, but they are also the lowest in Canada.

The proposed insurance contributions for 2019-2021 highlight once again the relationship between drivers' behaviour and their insurance contributions, while at the same time ensuring the plan's sustainability and fairness among contributors.

The SAAQ believes that its proposal is fair and reasonable. However, it is open to suggestions and therefore invites all interested individuals and groups to express their ideas and concerns during the public consultation that the Panel of Experts on Automobile Insurance Contributions will hold over the coming months.

A photograph showing a person in a wheelchair on a city street. The wheelchair is red and blue. The person is wearing a dark jacket and white gloves. The background is blurred, showing other people and a sidewalk.

APPENDICES

- A. Main Types of Compensation Provided by Québec's Public Automobile Insurance Plan
- B. Insurance Indicators—How Québec Compares to Other Canadian Provinces and Territories
- C. Funding Ratios Targeted by Public Insurance Plans for Bodily Injury

A. Main Types of Compensation Provided by Québec's Public Automobile Insurance Plan

Indemnities for Accidents that Occurred Between January 1, 2017 and December 31, 2017

INDEMNITIES	AMOUNTS
Income replacement indemnity ¹	90% of net income, calculated on the basis of a gross annual income that does not exceed \$72,500
Indemnity for care expenses	Weekly maximum: <ul style="list-style-type: none"> ● \$432 for 1 person ● \$485 for 2 people ● \$535 for 3 people ● \$589 for 4 or more people
Lump-sum indemnity for students ²	<ul style="list-style-type: none"> ● \$5,178 for each school year lost at the elementary level ● \$9,502 for each school year lost at the high school level ● \$9,502 for each term lost at the post-secondary level, up to \$19,004 per year
Lump-sum indemnity for a diminished quality of life	Up to \$242,311

1. When an income replacement indemnity is awarded to an accident victim under age 65, the indemnity is reduced by 25% when the beneficiary turns 65, by 50% when the beneficiary turns 66, by 75% when the beneficiary turns 67, and ceases being paid altogether when the beneficiary turns 68.

2. Starting on the date they were scheduled to complete their studies, students may be entitled to receive an indemnity based on \$43,970, which corresponds to the average earnings of Québec workers for the current year.

TYPE OF EXPENSES	AMOUNTS
Travel	<p>To receive care or undergo treatment:</p> <ul style="list-style-type: none"> ● Private vehicle: \$0.145/km ● Public transit: expenses incurred reimbursed in full ● Taxi: expenses incurred reimbursed in full where public transit does not serve the route that must be taken or where the accident victim's condition does not allow him or her to use public transit
Meals	<ul style="list-style-type: none"> ● Up to \$10.40 for breakfast ● Up to \$14.30 for lunch ● Up to \$21.55 for supper
Care expenses	<p>Weekly maximum:</p> <ul style="list-style-type: none"> ● \$131 for 1 person ● \$172 for 2 people ● \$220 for 3 people ● \$260 for 4 or more people
Personal home assistance	Up to \$865 per week for an accident victim whose state of health requires continuous care
Availability allowance	<ul style="list-style-type: none"> ● Up to \$35 for availability of 4 hours or less ● Up to \$70 for availability of more than 4 hours
Clothing	<ul style="list-style-type: none"> ● Up to \$400 for cleaning, repair or replacement of clothing worn during the accident ● Up to \$1,000 for leather clothing or a helmet worn in a motorcycle accident
Prescription contact lenses	Up to \$110 ³
Prescription eyeglasses ⁴	<ul style="list-style-type: none"> ● Up to \$200 for the frames ● Actual cost of the lenses reimbursed in full
Medical reports ⁴	<ul style="list-style-type: none"> ● Up to \$30 for an initial report⁵ ● Up to \$80 for an assessment report⁵ ● Up to \$80 for a progress report⁵ ● Up to \$75 for an aftereffects report⁵
Professional fees	<ul style="list-style-type: none"> ● Physiotherapy: up to \$55 for each prescribed treatment ● Chiropractic care: up to \$31 for each prescribed treatment ● Acupuncture: up to \$26 for each prescribed treatment ● Psychotherapy: up to \$86.60 for each prescribed treatment ● For other professional fees, contact our call centre
Substitute labour costs for a family business	Up to \$863 per week for the first 180 days after the accident (supporting documents required)
Medication	Automated reimbursement at the pharmacy or Determined upon submission of invoices or receipts to the SAAQ
Prostheses, orthoses, etc.	Determined upon presentation of invoices or receipts, up to the maximum amounts prescribed by regulation

3. Except in certain specific cases, where it may be possible to receive a reimbursement of up to \$300.

4. Some rates have been in effect since July 27, 2017.

5. This report has been used by the SAAQ since May 20, 2010.

B. Insurance Indicators—How Québec Compares to Other Canadian Provinces and Territories¹

Administrative Cost per Compensation Dollar Paid

YEAR	SAAQ	AVERAGE (Jurisdictions with a Similar Public Plan)	SAAQ Ranking
2015	17%	24%	1/5
2014	17%	23%	2/5
2013	16%	23%	1/5

Average Insurance Premiums*

YEAR	SAAQ	AVERAGE (All Jurisdictions)**	SAAQ Ranking
2015	\$782	\$1,113	1/12
2014	\$777	\$1,101	1/12
2013	\$776	\$1,090	1/12

* For Québec, the “average insurance premium” includes the insurance contribution collected by the SAAQ to cover bodily injury, and the premium for private civil liability insurance taken out to cover property damage.

** Does not include Nunavut.

1. Société de l'assurance automobile du Québec, *Rapport annuel de gestion*, 2016, p. 27.

C. Funding Ratios Targeted by Public Insurance Plans for Bodily Injury¹

JURISDICTION	TARGETED FUNDING RATIO ²
Alberta	Between 114% and 128%
British Columbia	138%
Manitoba	130%
New Brunswick	110%
Newfoundland and Labrador	Between 100% and 120%
Northwest Territories	125%
Nova Scotia	100% by 2022
Ontario	100% by 2027
Prince Edward Island	Between 100% and 110%
Québec (CNESST)	Between 95% and 110%
Saskatchewan	Between 105% and 120%
Yukon	Between 122% and 129%

1. Given that the other public automobile insurance plans in Canada cover both bodily injury and property damage, here we have compared funding ratios targeted by public worker compensation plans, which also cover bodily injury but are easier to compare.

2. The targeted funding ratio is expressed as either a specific percentage or a range.

Société de l'assurance
automobile

Québec 