



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2017-08-11

Honourable Sherry Gambin-Walsh
Minister of Service NL
Provincial Office
100 Prince Phillip Drive
P.O. Box 8700
St. John's, NL A1B 4J6

Dear Minister Gambin-Walsh:

Re: Review of Automobile Insurance in the Province

The Board of Commissioners of Public Utilities has been directed to undertake a review of automobile insurance in the province. As part of the Terms of Reference for the review the Board has been directed:

- To review the impact on rates of a monetary cap on claims for non-economic loss of minor/mild injuries and the implications of such a cap for claimants; and
- To review the impact on rates of continuing with the current deductible or increasing the deductible.

The Terms of Reference did not provide direction on the minor/mild injury definition(s) or monetary caps to be used in the closed claims study and analysis, or the specific higher deductibles to be analyzed. The purpose of this letter is to advise on the minor injury definition(s), monetary caps and deductibles that the Board plans to consider in its review.

Mild/Minor Injury Definition and Monetary Caps

Nova Scotia, New Brunswick and Prince Edward Island all have mild/minor injury definitions for determining non-economic loss which appear to be substantively similar (see attached Schedule A). These jurisdictions also have monetary caps that limit pain and suffering compensation for injuries legally defined as minor. The pain and suffering compensation in each province is limited to a maximum of \$7,500.00 indexed for inflation. The current monetary caps for 2017 are \$7,818.87 in Nova Scotia, \$8,486 in New Brunswick and \$7,545 in Prince Edward Island.

The Board will review the impact on rates, and implications on claimants, of monetary caps for non-economic loss of \$5,000, \$7,500 and \$10,000 indexed for inflation, for the definitions for mild/minor injury currently in use in the other Atlantic provinces.

Deductibles

The current deductible applied to all pain and suffering claims in Newfoundland and Labrador is \$2,500. The Board will review the impact on rates of continuing with the current deductible or increasing the deductible to \$5,000, \$7,500 or \$10,000.

We trust this will be satisfactory.

Sincerely,



Darlene Whalen, P. Eng.
Vice-Chair

SCHEDULE A

Minor/Mild Injury Definitions – Atlantic Canada

Nova Scotia (2010)

Minor injury, with respect to an accident, means

- (i) a sprain;
 - (ii) a strain; or
 - (iii) a whiplash-associated disorder injury,
- caused by that accident that does not result in a serious impairment.

New Brunswick (2013)

Minor personal injury means any of the following injuries, including any clinically associated sequelae, that do not result in serious impairment or in permanent serious disfigurement:

- (a) a contusion;
- (b) an abrasion;
- (c) a laceration;
- (d) a sprain;
- (e) a strain; and
- (f) a whiplash associated disorder.

Prince Edward Island (2014)

Minor personal injury means any of the following injuries, including any clinically associated sequelae, that do not result in serious impairment:

- (i) sprain,
- (ii) strain; or
- (iii) whiplash-associated disorder injury.