



**No. A-23/10  
Property &  
Casualty – Auto**

## **Interpretation Costs and Assessments and Examinations Under the Statutory Accident Benefits Schedule – Effective September 1, 2010**

### **To the attention of all insurance companies licensed to transact auto insurance in Ontario and all health care providers**

With this Bulletin, the Financial Services Commission of Ontario (FSCO) is releasing the Cost of Assessments and Examinations Guideline – Superintendent's Guideline No. 08/10 (Guideline), which applies to all accidents occurring on or after November 1, 1996.

The cost of services that are sometimes provided by interpreters in connection with assessments or examinations of insured persons who have a language barrier are not intended to be covered under the Statutory Accident Benefits Schedule – Effective September 1, 2010 (SABS). This does not prevent an insurer from paying or arranging for these services as an adjusting expense.

Health care providers and other persons acting on their behalf should not be arranging for interpreters unless they have prior approval by the insured person and the insurer for payment.

FSCO expects insurers to use their own internal policies and procedures that comply with best practices and legislative requirements, when determining whether interpreters are required.

The Insurance Bureau of Canada released Standards of Sound Marketplace Practice on March 6, 2006. Standard 4, Fair Claims Settlement and Claims Handling, describes best practices that insurers should follow when adjusting a claim. In particular, Standard 4 directs that insurers should have internal policies and procedures that are well understood, fully in place and utilized to ensure “that claims are handled as expeditiously as possible and in accordance with any legal requirements, with fairness and transparency to the claimant”. In addition, insurers’ standards and guidelines for dealing with claimants and policyholders should ensure “that similar claim situations are treated consistently, and that in all cases insurance contracts are interpreted in ways that are deemed to be in the spirit of fairness”.

## Authority

The Guideline is issued pursuant to section 268.3 of the Insurance Act for the purposes of the SABS and becomes effective when published in The Ontario Gazette. As required by section 268.3 (2) of the Insurance Act, the Guideline shall be considered in any determination involving the interpretation of the SABS.

## Copies

The Guideline is attached for your information and can also be downloaded from the FSCO website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca). In addition, the Guideline will be published in The Ontario Gazette.



Philip Howell  
Chief Executive Officer and  
Superintendent of Financial Services

November 23, 2010

Attachment:

- Cost of Assessments and Examinations Guideline – Superintendent's Guideline No. 08/10



Financial Services  
Commission  
of Ontario

Commission des  
services financiers  
de l'Ontario

## **Cost of Assessments and Examinations Guideline**

**November 2010**

**Superintendent's Guideline No. 08/10**

## **Cost of Assessments and Examinations Guideline**

### **Introduction**

This Guideline is issued pursuant to s. 268.3 (1) of the Insurance Act for the purposes of the Statutory Accident Benefits Schedule – Effective September 1, 2010 (SABS).

### **Purpose**

The purpose of this Guideline is to provide guidance concerning the \$2,000 maximum amount established in s. 25 (5) (a) of the SABS in respect of fees and expenses for conducting any one assessment or examination, and for preparing reports in connection with it, whether it is conducted at the request of the insured person or insurer.

Section 25 (5) of the SABS prohibits insurers from paying more than the maximum amount established in s. 25 (5) (a).

### **Definition of “Assessment” and “Examination”**

“Assessment” and “examination” have the same meaning under the SABS. An assessment or examination is a clinical evaluation or appraisal of a claimant’s health status. Under s. 44 of the SABS, an assessment or examination may in certain circumstances be limited to a file review and not require the attendance of the claimant.

### **Fees and Expenses for Conducting any One Assessment or Examination, and for Preparing Reports**

“Fees and expenses for conducting any one assessment or examination and for preparing reports in connection with it”, as referred to in s. 25 (5) (a) of the SABS, include all costs, fees, expenses, charges, surcharges, overhead, and all administration and other costs incurred by or on behalf of the health care provider who conducted the assessment or examination. The health care providers’ transportation expenses and any fees for their travel time are included in the \$2,000 cap, since these fees and expenses are incurred by or on behalf of the provider, in order to conduct an assessment or examination.

The Professional Services Guideline – Superintendent’s Guideline No. 06/10 establishes the maximum amounts that are payable by insurers under the SABS for the services of specified health care providers, and includes assessments or examinations.

As noted earlier, s. 25 (5) (a) of the SABS prohibits an insurer from paying more than \$2,000 in total, for all fees and expenses for any one assessment or examination. This includes all fees and expenses for preparing and delivering reports in connection with an assessment or examination.

## **Expenses Not Covered Under the \$2,000 Cap for Assessments and Examinations**

Under s. 25 (5) (a) of the SABS, reasonable transportation expenses that are incurred by or on behalf of a claimant, and for a claimant's aide or attendant, for travel to and from an assessment or examination referred to in s. 25 (1), are not part of the \$2,000 cap. These expenses fall under s. 25 (4) of the SABS and are also subject to the Transportation Expense Guideline – Superintendent's Guideline No. 05/10.

The cost of interpreters is not intended to be covered under the SABS.

However, the SABS does not prevent insurers from reimbursing claimants for all or part of the costs incurred by them for interpreter services, or from arranging for interpreter services directly, as an adjusting expense.

Health care providers and other persons acting on their behalf should not be arranging for interpreters, unless they have prior approval by the insured person and the insurer for payment for those services.

## **Harmonized Sales Tax (HST)**

The HST legislation governs whether the HST applies to goods or services for which payment is available under the SABS. If HST legislation provides that the HST is applicable to any of these goods or services, then the insurer must pay the HST in addition to the amounts that are payable under the SABS. For example, the \$2,000 cap that is provided for in s. 25 (5) (a) of the SABS to cover the costs and expenses of assessments, examinations and preparation of reports is exclusive of any HST that may be payable under HST legislation. Insurers are therefore expected to pay the HST, if it applies to such costs and expenses, without considering the \$2,000 cap.

This is consistent with the treatment of the HST for services that are delivered by health care providers and that are governed by the Professional Services Guideline – Superintendent's Guideline No. 06/10.