

Automobile Insurance Reforms 2011

Fact Sheet – Phase 2 Implementation

Effective April 1, 2013

The following automobile insurance reforms will be implemented as part of phase two and will be effective on April 1, 2013.

Direct Compensation for Property Damage (DCPD)

Direct compensation for property damage (DCPD) allows insured drivers to be compensated by their own insurer for property damages resulting from an automobile collision caused by another party. Working with their own insurer allows drivers involved in an automobile collisions to complete the claims process more efficiently and get appropriate compensation quickly.

This system is in place and works well in Ontario, New Brunswick and Quebec. Nova Scotia's new DCPD system will be based on New Brunswick's model.

Introducing DCPD will not change a consumer's right to sue for other damages. Those rights are maintained under the tort system.

Limited Liability and New Priority of Pay Rules for Rental Companies

The liability of rental and leasing companies for a collision caused by the driver of a rental vehicle will be limited to damages of up to \$1 million. Damages above \$1 million will be the responsibility of the individual at fault.

This reform applies to rental companies and leasing companies that do not offer the option to purchase the vehicle at the end of the lease

Under new priority of pay rules, insurance held by the person renting or leasing the vehicle (even if they aren't the driver) will respond first, followed by the rental or leasing company's insurance.



Diagnostic and Treatment Protocols for Minor Injuries

Last year the limit on pain and suffering awards for minor injuries was increased. The definition of “minor injury” was narrowed to include only sprains, strains and certain types of whiplash-associated disorders.

To further aid those who suffer minor injuries in automobile collisions, the provincial government decided to look at the possibility of introducing diagnostic and treatment protocols for minor injuries as part of its independent review of automobile insurance. The independent automobile insurance review recommended adopting diagnostic and treatment protocols for minor injuries, based on Alberta’s model, which has been in place since 2004 and is working well.

The introduction of diagnostic treatment protocols for minor injuries will mean Nova Scotians who are injured in an automobile collision have direct access to physiotherapy and chiropractic treatment without waiting for approval from an insurer or a physician’s referral.

This reform is patient-focused and delivers better care sooner in order to promote healthier outcomes for automobile accident victims. Diagnostic and treatment protocols will promote consistency and quality of care for minor injuries.

Implementing diagnostic and treatment protocols for minor injuries requires the development of new regulations as well as changes for the insurance industry and medical professions involved in treatment. This work takes time and therefore the new protocols will be part of phase two.

Optional Tort Product for Minor Injuries

Nova Scotia has a full tort auto insurance system in all areas except for the limit on pain and suffering award for minor injury.

The independent auto insurance review recommended offering a full tort choice for pain and suffering awards for minor injuries to consumers. The Superintendent of Insurance has developed a framework for an optional tort product and it will be assessed by the Utility and Review Board to determine pricing.

The optional tort product is unique and requires work for both the government and the insurance industry; therefore it will be part of phase two.

