

Interpretive Note for 2020H1 Standard Report from the Ontario Health Claims Database (HCDB) Regarding COVID-19 Impacts

This report displays up-to-date data on medical rehabilitation activity and the amounts paid by insurers to injury victims of motor vehicle accidents pursuant to Ontario's mandatory no-fault insurance coverage. The data is reported for the accident years 2013 through 2019 as well as the first half of 2020. For all years, the data has been updated to June 30, 2020 to incorporate the changes in claimant numbers and the development of claims expenses that have occurred as the claims arising in a given accident year mature over time. The claims development period for individual claims varies widely, and can take several years before their ultimate value is determined.

According to the report, the amount paid in medical rehabilitation benefits for the 8,805 individuals who initiated no-fault injury claims during the first half of 2020 was \$11,442,395. This amount represents approximately 46% of the actual expenses recorded for these goods and services during the same period in 2019. The very large reduction in the medical rehabilitation expenses attributed to the January through June period of 2020 reflects the impact of the COVID pandemic on traffic volumes and the much lower frequency of accidents during this time. In addition, the pandemic has contributed to temporary reductions in the availability of non-critical health services as well as greater reluctance on the part of many individuals – especially those with relatively minor injuries – to seek these services.

Looking forward, there are a great many uncertainties surrounding the implications of the 2020 half-year reported expense values for the amounts that will be paid by insurers over the full year. In the first place, according to previous HCDB standard reports, expenditure amounts reported for the first half of the year have corresponded with full year amounts averaging more than 5 times the levels reported for the first six months. Moreover, for the extraordinary year that has seen two major waves of COVID spread and a variety of government policy and personal behavioral responses to the pandemic, any attempt to project the multiplier between half-and full-year expenses on insurers' medical rehabilitation expenses would be highly problematic. Factors that are likely to influence the full-year results are: delayed assertion of an unknown number of claims (claimants have two years to file an injury claim); the greater potential for injury victims to access health services that were avoided in the earlier part of the year; and the normal cost development process experienced over time for many no-fault injury claims.

COVID-driven factors have enabled Ontario's auto insurance industry to provide more than \$1 billion in premium relief and deferrals to drivers.

To view the report, [please click here.](#)