



To: All Automobile Statistical Plan Reporting Companies in Ontario

Date: May 6, 2020

Bulletin: GISA 2020-04

**Ontario Statutory Accident Benefits Schedule (SABS) and Related Harmonized Sales Tax (HST)
Reporting Expectations**

The Financial Services Regulatory Authority of Ontario (FSRA) would like to set out its expectations for reporting SABS losses and the related payments for HST under the Automobile Statistical Plan to ensure consistent reporting practices across insurers in Ontario.

HST on SABS Claims

The HST related to SABS claims is part of the SABS indemnity and, therefore, insurers are expected to:

- Report services or benefits rendered under the SABS, including the HST, as a component of the SABS “Losses” (“Losses” as defined in ASP Manual). Do not report HST related to services or benefits rendered under the SABS guideline as “Allocated Claim Expenses” (“Allocated Claim Expenses” as defined in ASP Manual).
- Report claimant initiated exams costs into ‘Medical’ type of loss. This should not be confused with Cost of Examinations kind of loss code 86 which represents insurer-initiated examinations.
- “Cost of Examinations” kind of loss code 86 intends to capture insurer-initiated exam costs and related HST. The combined amount of insurer-initiated exam costs including HST should be reported in kind of loss code 86 as “Allocated Claim Expenses”.

	Kind of Loss Codes	Losses or Allocated Claim Expenses
Services or Benefits rendered under the SABS guideline including the HST	Medical, Rehab, Attendant Care kind of loss codes	Losses
Claimant initiated examinations including the HST	Medical, Rehab, Attendant Care kind of loss codes	Losses
Insurer initiated examinations including the HST	Costs of Examinations kind of loss code	Allocated Claim Expenses

The data input requirements outlined here are designed to track all costs including related HST, irrespective of any SABS limits payout requirements.

Example 1:

If the claimant's "Losses" for medical, rehabilitation, attendant care benefits amount to \$65,000, plus \$8,450 in HST, the amount reported under this SABS "Losses" component is \$73,450.

Example 2:

If the claims costs for assessments and examinations rendered under s. 25 (5) (a) of the SABS Guideline amount to \$2,000 plus \$230 in HST, the reported "Losses" under Medical kind of loss code is \$2,230.

Example 3:

If the insurer initiated costs for assessments and examinations amount to \$2,000 plus \$230 in HST, the reported "Allocated Claim Expenses" under kind of loss code 86 is \$2,230.

FSRA is requesting companies that have separated the HST from its related SABS benefits to discontinue the practice and henceforth follow the guidance outlined above.

FSRA has requested any company that had previously separated the SABS services or benefits related HST amount and reported it as the "cost of examinations" to advise them of this error and correct it.

Please send any questions related to the above changes to SABS-HST@ibc.ca.

General Insurance Statistical Agency