

On the Right Path For a Sustainable and Equitable Plan



Québec's Public
Automobile Insurance Plan

Briefing document on the proposed
approach and on the draft regulation
respecting insurance contributions

Direction des communications

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Message from the Chair of the Board of Directors

The Board of Directors of the Société de l'assurance automobile du Québec (SAAQ) has examined the proposal presented in this briefing document. In its opinion, the approach endorsed by the SAAQ for 2011-2013 will ensure that it can continue to target an equitable and sustainable automobile insurance plan. This approach is a carry-over of the courses of action that were implemented in 2006-2010.

On behalf of the Board, I am submitting the draft regulation respecting insurance contributions to the SAAQ's Panel of Experts on insurance contributions and I invite you to take part in the public consultations that will be held to discuss the issue.

I can assure you that all of your comments and suggestions will be examined carefully.



Marie-Anne Tawil
Chair of the Board of Directors

Message from the President and Chief Executive Officer

As you will see in this document, the approach endorsed by the SAAQ for 2006-2010 helped to solidify the financial base of the public automobile insurance plan. An improved road safety record, insurance contribution adjustments and better control of plan expenses helped to restore balanced financing of the Fonds d'assurance automobile du Québec.

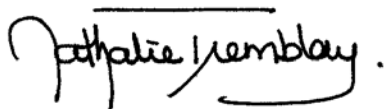
Thanks to, among other things, a greater sense of responsibility on the part of the driving public, combined with the efforts of the government and road safety partners, the SAAQ's current financial situation is significantly better now than it was five years ago. The recurring problem of annual shortfalls is now behind us. Insurance contributions for one year are now sufficient to offset the compensation benefits that are awarded to automobile accident victims over the same year.

As of December 31, 2010, however, due to historic under-financing and the 2008 financial crash, the deficit of the Fonds d'assurance totalled \$1.6 billion. For each dollar awarded to road accident victims, only 82 cents was available to the SAAQ.

To ensure a financially sustainable plan, this accumulated deficit must be eliminated. The approach proposed by the SAAQ to achieve this goal does not involve raising insurance contributions, except for an annual indexation, for the vast majority of contributors. The contributions for certain individuals will even fall.

The aim of this approach is to re-examine contributions and introduce a policy to review the plan's financial status every three years. It is important to bear in mind, as history has shown many times, that the financial situation of the Fonds d'assurance is affected by changes in the road safety record and shifts in financial markets.

I therefore invite you to examine the SAAQ's proposal for 2011-2013. It will be subject to a public consultation by the SAAQ's panel of experts on insurance contributions, who will submit its recommendations in late fall 2011.



Nathalie Tremblay.

Nathalie Tremblay, FCA
President and Chief Executive Officer

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INTRODUCTION

The aim of this briefing document is to take stock of the current financial situation of Québec's public automobile insurance plan and to propose the adjustments that are needed to pursue the same goals that have been in effect since 2006 to ensure an equitable and sustainable plan.

The financial situation of the Fonds d'assurance automobile du Québec consists of two components: financing and funding.

Financing for One Year

The first component concerns financing for the compensation benefits that are awarded to road accident victims. Full financing means that enough money is collected in a given year to cover the compensation benefits that are paid out for accidents that have occurred in the same year. The aim of the approach that was in effect from 2006 to 2010 was to end to the plan's persistent under-financing. This approach achieved its goal: the persistent under-financing problem has been settled.

Financing of the public automobile insurance plan is governed by one fundamental principle: driver's licence holders or vehicle owners must pay their fair share, based on the risk associated with their driving behaviour and the type of vehicle they drive. In keeping with this principle, the SAAQ proposes adjustments to the insurance contributions of specific classes of contributors.

Funding

The second component deals with funding. Full funding means that assets, at a given date, are sufficient to ensure payment of future compensation benefits for accidents that occurred prior to that date. Based on the approach that was implemented from 2006 to 2010, once financing was balanced, the accumulated deficit had to be eliminated to ensure funding of the Fonds d'assurance.

A Review Every Three Years

The SAAQ will now be examining its financial situation every three years. Where necessary, it will adjust insurance contributions based on factors that have a financial impact, such as the road safety record and a shifting economic climate.

Essential Coverage

The Origins of the Plan

For a better understanding of the significance of Québec's public automobile insurance plan, it is important to compare the situation that existed prior to the plan's creation to what it has become today.

In 1971 the Government of Québec commissioned a panel to study the automobile insurance situation. Following its work, the panel pointed out that there were serious failings with the system:

- ▶ the private insurance plan, based on fault, did not compensate all automobile accident victims;
- ▶ fault was difficult to establish;
- ▶ it took too long to settle claims;
- ▶ compensation for damages was very small;
- ▶ a one-time payment was not effective;
- ▶ the plan was very expensive.

The panel subsequently recommended a major overhaul of the system to compensate victims of automobile accidents who had sustained bodily injuries, namely:

- ▶ complete abolition of the right to sue for damages based on fault;
- ▶ mandatory basic insurance for all registered vehicles to cover anyone who was involved in an accident on Québec roads or elsewhere in the world;
- ▶ the payment of indexed compensation benefits to replace economic loss;
- ▶ payment of certain lump-sum indemnities for non-economic loss.

The *Automobile Insurance Act*, which was enacted on December 22, 1977 and came into force on March 1, 1978, was based on these recommendations.

Its Guiding Principles

The Government created the Régie de l'assurance automobile du Québec, which went on to become the Société de l'assurance automobile du Québec (SAAQ). The SAAQ is responsible for managing the plan, which is based on the following principles:

- ▶ a universal plan that ensures the right to compensation benefits for all victims of road accidents, regardless of age or occupation;
- ▶ a no-fault plan that provides compensation benefits for bodily injuries;
- ▶ compensation benefits for economic loss due to a road accident;
- ▶ full indexation of compensation each year.

The purpose of the plan is to compensate victims for economic loss due to an accident, up to the maximum amounts prescribed under the *Automobile Insurance Act* and its attendant regulations. Victims are also entitled to compensation benefits for non-pecuniary damage, such as a diminished quality of life due to an accident. The SAAQ also takes the measures necessary to contribute to the rehabilitation of an accident victim for a return to daily activities and the labour force.

Appendix A lists the compensation benefits available under the automobile insurance plan.

A Simple, Universal, Efficient and Cost-Effective Plan

The plan is simple: the only criterion necessary to be eligible for compensation benefits is to establish a connection between bodily injuries and a road accident. The plan is universal: everyone is eligible, regardless of fault. The plan is efficient: the SAAQ immediately takes charge of accident victims and remains with them, if need be, throughout their entire life. The plan is also extremely cost-effective: contributions (the equivalent of premiums in private plans) are among the lowest in Canada for compensation benefits that compare favourably with other insurance plans.

A Unique Model

The mission of the SAAQ is to protect individuals against the risks of road accidents, based on a model that is unique in the world and which encompasses accident prevention, control over access to the road network, control of the transportation of people and goods and compensation to road accident victims. This model allows Quebecers to benefit from a very advantageous public insurance plan.

Changes in Financing from 2004 to 2010

The Findings in 2004: A Disconcerting Financial Situation

In 2004, contributions to the automobile insurance plan had remained virtually unchanged over the previous 20 years, despite the fact that compensation benefits to accident victims had increased 70%. Unlike contributions, compensation benefits were indexed based on the cost of living. The SAAQ managed to avoid deficits until the year 2000, due to higher than expected investment earnings, a road safety record that had improved considerably since the 1970s and lower than anticipated compensation costs.

However, during this entire period, the plan was under-financed and after two decades of steady improvement, the road safety record began to deteriorate. Thus, the SAAQ's budget for 2004 was unbalanced because insurance contributions were insufficient to cover the costs of the plan. The financing ratio was in fact only 59%.

Furthermore, that same year, for the first time since it was founded, Québec's automobile insurance plan was under-funded. The funding ratio was in fact only 92%, which means that for each dollar awarded to accident victims, there was a reserve of only 92 cents. The forecasts were also disconcerting: if nothing was done, funds would run out by 2018, despite the fact that compensation benefits were scheduled to total \$15 billion. At this rate, the plan's sustainability was in jeopardy. A turnaround was needed.

In 2004, the Government made a significant move: it created the Fonds d'assurance automobile du Québec. With the creation of the fund, insurance contributions became a trust patrimony distinct from other SAAQ and government activities. In addition, under the law that created the fund, the SAAQ is required to eliminate under-financing by the end of 2015. It is also required to eliminate any deficit within 15 years.

The Approach for 2006-2010

For the period of 2006-2010, the SAAQ introduced an approach that focused on eliminating under-financing of the insurance plan. The approach consisted of three courses of action:

1. **Road safety record:** bring the number of road accident victims back down to levels in 2001.
2. **Insurance contributions:** gradually update the rates and ensure more fairness to users of the road network.
3. **Cost of the plan:** review certain compensation practices.

The second step consisted of re-examining the financial situation in 2010 to re-establish funding and to make any necessary adjustments to financing of the plan.

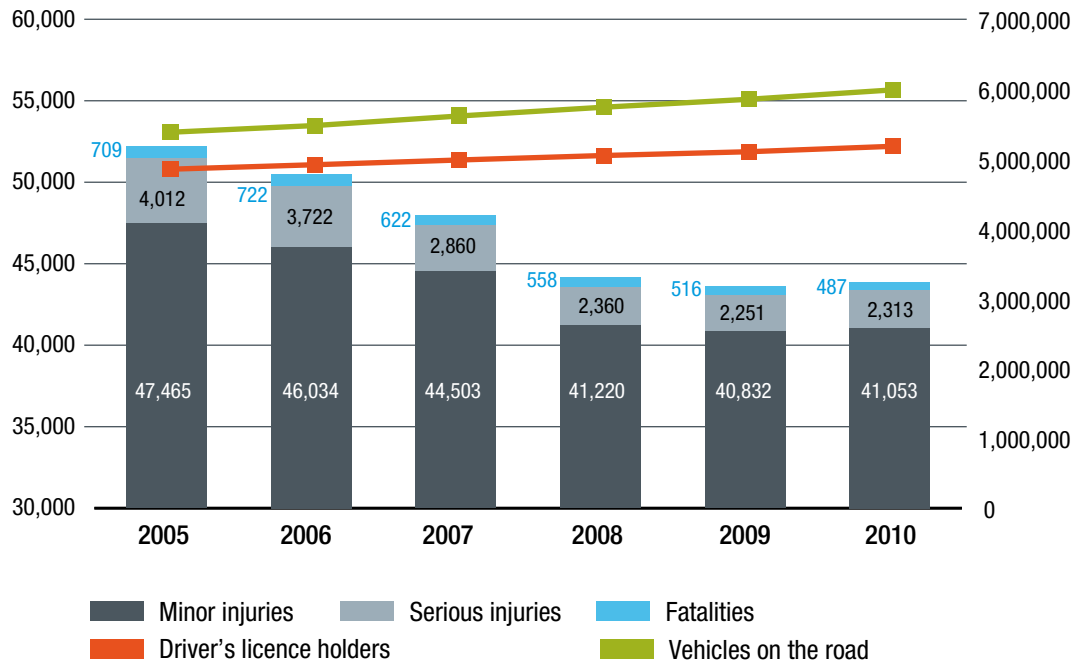
1. ROAD SAFETY RECORD

Over a 20-year period between 1980 up to the early 2000s, the road safety record continued to improve. Then, beginning in 2002, it began to deteriorate. The SAAQ joined forces with the principal road safety organizations to work towards curbing the number of accidents.

Stepped-up public awareness activities, stricter legislation and increased road monitoring achieved their objective. The result was immediate: the number of deaths fell to 622 in 2007, which was Road Safety Year, or 100 fewer deaths than 2006. The number of injuries also dropped during this period.

The number of deaths subsequently continued to decline to 487 in 2010, a 62-year low. As for the number of people injured over the same year, despite a slight increase, it was down significantly compared to the average for the five previous years. Yet, a fact worth noting is that the number of vehicles on the road and number of driver's licence holders continued to increase over the same period.

Table 1 Road Safety Record 2005 to 2010



Additional evidence that demonstrates the power of the approach in 2006-2010, which combined awareness, legislation and monitoring: in 2010, road safety was the number one public concern, according to the most recent SAAQ survey.

2. INSURANCE CONTRIBUTIONS

Following a detailed analysis of the situation in 2005, a review of insurance contributions appeared to be inevitable. To achieve full financing and to better reflect the risk that each category of contributor represented, contributions were gradually adjusted between 2008 and 2010.

Contribution adjustments according to the cost of living were also introduced, as was already the case for compensation benefits paid to road accident victims.

Drivers were required to pay driver's licence fees each year rather than every two years, and holders were given the option to spread this payment and vehicle registration payments over a maximum period of 12 months.

Through these means, the SAAQ implemented the majority of the recommendations made by the Panel of Experts in 2006.

3. COST OF THE PLAN

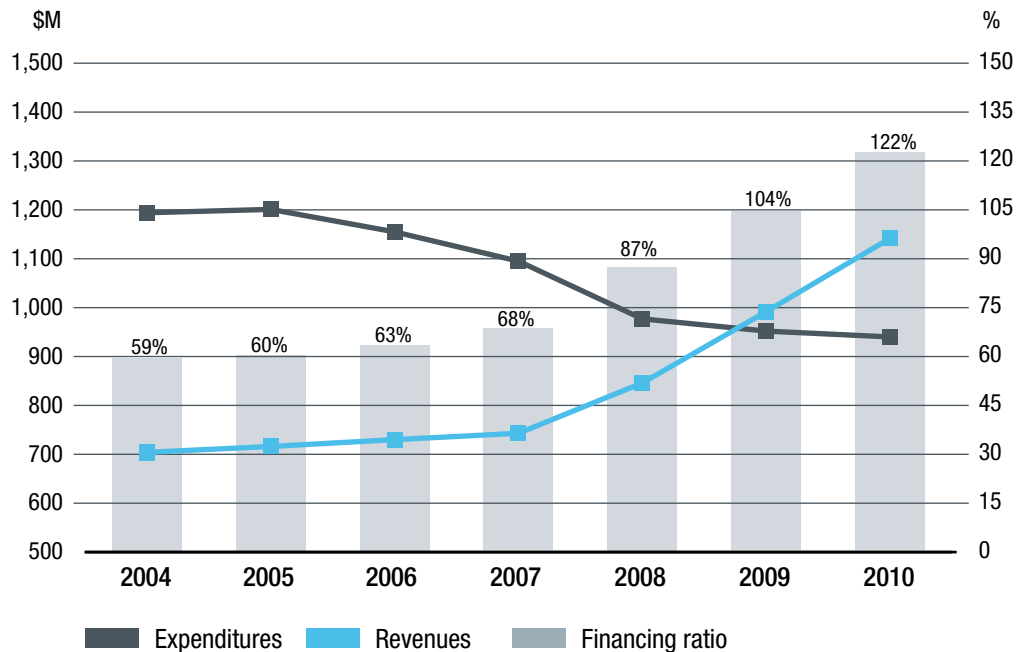
To better control the increasing overall cost of compensation benefits and to improve the quality of services, the SAAQ decided to review its compensation practices in 2006. All of the procedures for processing insurance claims were reviewed to maximize operations and simplify the delivery of services. The purpose of these efforts was to reduce processing time, re-shape services to better adapt them to the needs of clients, ensure better management of disability periods and allow accident victims to return to a normal life more quickly.

The Financial Situation as of December 31, 2010

Changes to the plan's financial situation between 2004 and 2010 illustrate the extent to which the plan is affected by external events. After two decades of improvement, the road safety record began to deteriorate. Then, unexpectedly, the worldwide financial crisis in 2008 caused the Fonds d'assurance automobile to lose \$2.6 billion.

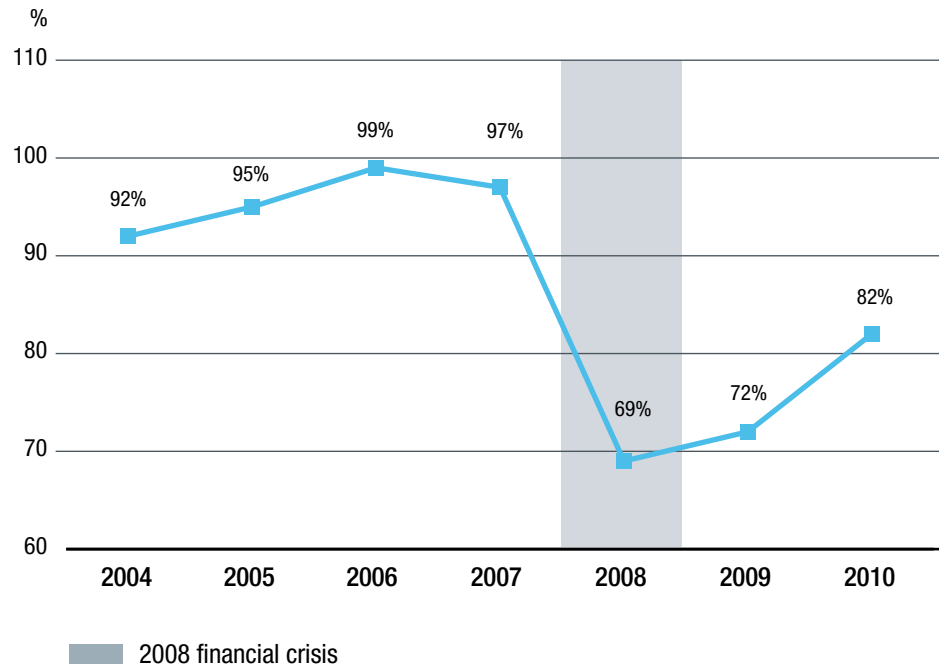
Despite these events, the approach that had been implemented to restore the plan's financial situation was successful. As of December 31, 2010, the plan registered a financing surplus and a financing ratio of 122%.

Table 2 Changes in the Financing Ratio



As of December 31, 2010, however, the accumulated deficit totalled \$1.6 billion, which meant a funding ratio of 82%.

Table 3 Changes in the Funding Ratio



The plan's financial situation is now on the right path. The time has come for the SAAQ to propose an approach over the next three years that will continue to pursue the path taken since 2006.

The Approach Proposed for 2011-2013

The approach proposed by the SAAQ centres on three courses of action:

1. Targeting full funding of the plan without raising the insurance contributions of the vast majority of contributors¹;
2. Reviewing insurance contributions;
3. Introducing a review of the financial situation of the Fonds d'assurance every three years.

1. Targeting Full Funding of the Plan Without Raising the Insurance Contributions of the Vast Majority of Contributors

For the years 2011 and 2012, the SAAQ will make no changes to insurance contributions, allowing for exceptions. The financing surplus that is subsequently generated will go towards improving funding of the Fonds d'assurance.

For 2013, a portion of insurance contributions will be allocated to funding. It is therefore proposed that insurance contributions in 2013 remain unchanged from 2012 rates for owners of passenger vehicles and driver's licence holders who have no demerit points. These individuals represent the vast majority of contributors, namely 82% of all vehicle owners and 68% of driver's licence holders.

The SAAQ is proposing that, from the insurance contribution, an amount of \$33 on the vehicle registration fee and \$4 on the driver's licence fee go towards funding of the plan, for all categories of contributors². This measure will remain in effect until the accumulated deficit has been totally eliminated³.

This is how insurance contribution amounts for registration of a passenger vehicle and Class 5 driver's licence (passenger vehicle) without demerit points, would be broken down:

Table 4 Insurance Contributions for Registration of a Passenger Vehicle

REGISTRATION OF A PASSENGER VEHICLE	INSURANCE CONTRIBUTION FOR 2012	INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates	Financing (\$)	Funding (\$)	Total (\$)
	117	84	33	117

Note: For 2014 and 2015, insurance contributions will be indexed.

Table 5 Insurance Contributions for a Class 5 Driver's Licence (Passenger Vehicle) with No Demerit Points

CLASS 5 DRIVER'S LICENCE (PASSENGER VEHICLE)	INSURANCE CONTRIBUTION FOR 2012	INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates	Financing (\$)	Funding (\$)	Total (\$)
	62	58	4	62

Note: For 2014 and 2015, insurance contributions will be indexed.

1. It should be noted that the insurance contributions that will be adopted by regulation may differ slightly from the contributions presented in this briefing document. The indexation rate applicable as of January 1, 2012, may in fact differ from the currently anticipated rate of 2.7%.
2. It is proposed, however, that the amount allocated to funding be limited to 50% of that allocated to financing.
3. Under legislation, the deficit as of December 31, 2008 must be eliminated by December 31, 2023.

2. Reviewing insurance contributions

The SAAQ conducted an in-depth analysis of all insurance contributions on the basis of:

- ▶ improvement of the road safety record;
- ▶ exposure to risk;
- ▶ the principle of fairness among contributors.

This analysis has revealed that certain insurance contributions require adjustment.

Where increases are necessary, the SAAQ plans to enforce the following conditions⁴:

- ▶ Limit the annual increase attributable to updating insurance contributions based on risk to 15%;
- ▶ For any other type of increase, during the first year, apply the higher of either a 15% increase or half the amount of the adjustment. The second year, apply the full amount.

CLASS 5 LICENCES (PASSENGER VEHICLE) WITH DEMERIT POINTS

The insurance contribution for holders of a driver's licence for a passenger vehicle with demerit points would be adjusted as follows:

Table 6 Proposed Insurance Contributions for Class 5 Driver's Licences (Passenger Vehicle) with Demerit Points

LICENCE	INSURANCE CONTRIBUTION FOR 2012	INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates (\$)	Financing (\$)	Funding (\$)	Total (\$)
Driver's licence and probationary licence (12 months)				
Without demerit points	62	58	4	62
1 to 3 demerit points	94	94	4	98
4 to 6 demerit points	138	127	4	131
7 to 9 demerit points	177	171	4	175
10 to 14 demerit points	239	196	4	200
15 or more demerit points	359	408	4	412
Learner's licence (12 months)	21	19	4	23
Restricted licence*	140	113	4	117

* Licence authorizing operation of a motor vehicle equipped with an alcohol ignition interlock device only

Note: For 2014 and 2015, insurance contributions will be indexed.

4. In the case of motorcycles, these conditions would apply only to motorcycles with restricted-area use.

MOTORCYCLES

Progress has been made regarding financing to cover compensation benefits for motorcyclists who were involved in a road accident. In 2005, a lot was made of the fact that the insurance contributions collected from motorcyclists accounted for less than 25% of the cost of compensation benefits that was allocated to these accident victims. This shortfall has been addressed.

There is now a need to continue to review the rate structure to accurately recognize the risk of this category of contributors. Therefore, to proceed with the orientations resulting from work with the Front commun motocycliste, the SAAQ proposes the following changes:

- ▶ The additional risk that is associated with driving a motorcycle new to the rider would be assigned a new insurance contribution, determined on the basis of cylinder capacity and type of motorcycle, and would be payable upon the acquisition of a new or used motorcycle. As with the other contributions, this amount would be indexed each year.

Table 7 Proposed Insurance Contributions upon Acquisition of a Motorcycle

MOTORCYCLE	INSURANCE CONTRIBUTION FOR 2012 (NEW CONTRIBUTION) (\$)
125 cc or less	75
126 to 400 cc	125
401 cc and over	225
“Sport”	225
Restricted-area use	75

Note: For 2013, 2014 and 2015, insurance contributions will be indexed.

- ▶ For holders of driver’s licences that authorize operating a passenger vehicle and motorcycle, the insurance contribution related to driving a motorcycle would now depend on the number of demerit points.

Table 8 Proposed Insurance Contributions for Licences that Authorize Driving a Motorcycle

LICENCE TO DRIVE A MOTORCYCLE	INSURANCE CONTRIBUTION FOR 2012		INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates (\$)	New rate (\$)	Financing (\$)	Funding (\$)	Total (\$)
With no demerit points	62	62	58	4	62
1 or more demerit points	62	94	94	4	98

Note: For 2014 and 2015, insurance contributions will be indexed.

- ▶ Registration of a restricted-area use motorcycle (zones of 70 km/h or less) would be limited to motorcycles where the model year dates back to 1980 or earlier and which have been maintained or restored to their original condition. These motorcycles would be classified differently from other restricted-area use vehicles, with a specific contribution as of 2012.

Table 9 Proposed Insurance Contributions for Registration of Restricted-Area Use Motorcycles

REGISTRATION OF A RESTRICTED-AREA USE MOTORCYCLE	INSURANCE CONTRIBUTION FOR 2012		INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates (\$)	New rate* (\$)	Financing (\$)	Funding (\$)	Total (\$)
	47	103	131	33	164

*Established based on the application of increase limits
 Note: For 2014 and 2015, insurance contributions will be indexed.

- ▶ Considering the financial implication of these new financing methods and recognizing motorcyclists' greater vulnerability, the insurance contribution for a motorcycle would be reduced for all motorcycle classes before the funding contribution is applied.

Table 10 Proposed Insurance Contributions for Registration of Motorcycles

MOTORCYCLE	INSURANCE CONTRIBUTION FOR 2012		INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates (\$)	New rate (\$)	Financing (\$)	Funding (\$)	Total (\$)
125 cc or less	188	165	136	33	169
126 to 400 cc	314	254	226	33	259
401 cc or over	555	424	400	33	433
"Sport"	1 301	891	876	33	909

* Contribution based on an indexation rate of 2%, which is subject to change based on the indexation rate in effect.
 Note: For 2014 and 2015, insurance contributions will be indexed.

BUSES

The risk analysis has revealed that a review of the classification of buses was needed to better reflect risk and fairness. The analysis found that the accident risk of public intercity buses was clearly lower than the risk that urban buses represent.

It has been proposed that, effective 2012, the rate category for registration of public buses weighing over 10,000 kg be divided into two classes:

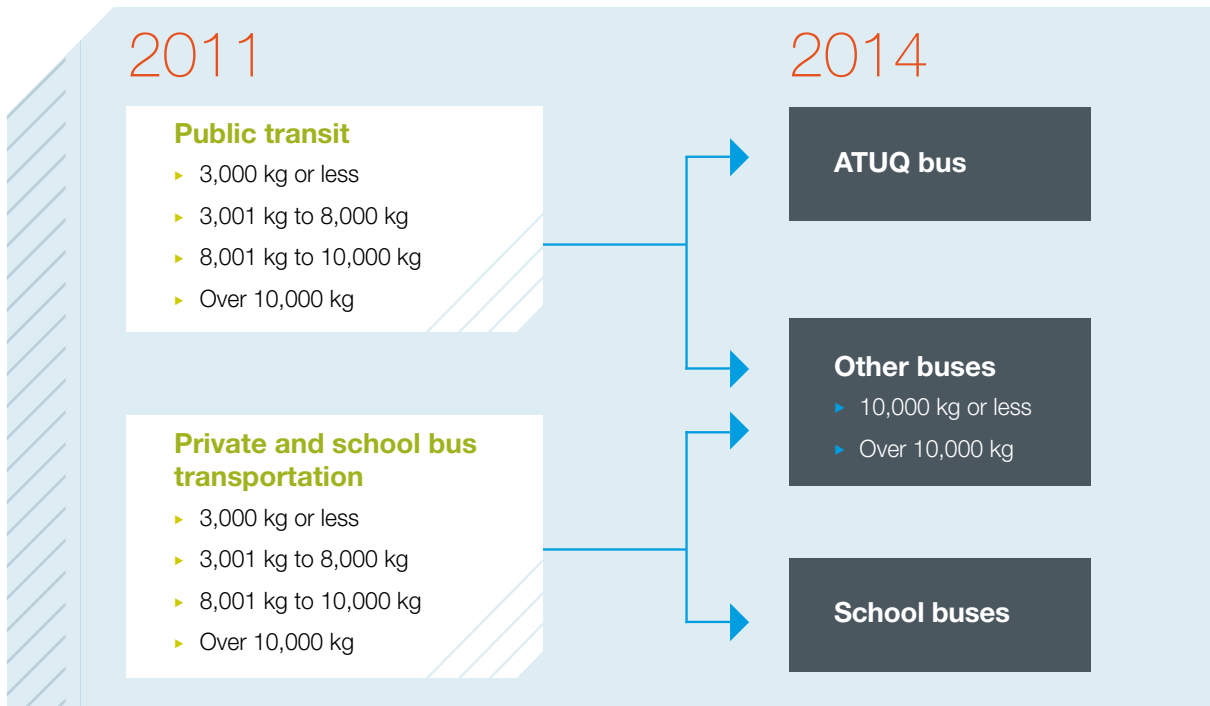
- ▶ Public buses owned by transit authorities that are members of the Association du transport urbain du Québec (ATUQ);
- ▶ Other public buses.

The insurance contribution for these vehicles would be adjusted according to the risk they represent. The funding contribution would be added, as it is for all other vehicle classes.

2013 would be a transition year to reflect the limit on insurance contribution increases. In 2014, the rate categories for bus registration would be as follows:

- ▶ ATUQ buses;
- ▶ School buses;
- ▶ Other buses weighing 10,000 kg or less;
- ▶ Other buses weighing over 10,000 kg.

Table 11 Bus Classification



As a result of the new proposed classification of buses, the contributions would be adjusted as follows for the principal classes (for all classes, see Appendix B).

Table 12 Proposed Insurance Contributions for Registration of the Principal Classes of Buses

VEHICLE	INSURANCE CONTRIBUTION FOR 2012		INSURANCE CONTRIBUTION FOR 2013			INSURANCE CONTRIBUTION FOR 2014*
	Estimate based on current rates (\$)	New rate (\$)	Financing (\$)	Funding (\$)	Total (\$)	Total (\$)
ATUQ bus, over 10,000 kg	1 504	N/A	1 517	33	1 550	1 581
School buses, 3,001 to 8,000 kg	264	N/A	137	33	170	173
Other public buses, over 10,000 kg	1 504	634	614	33	647	660

* Contribution based on an indexation rate of 2%, which is subject to change based on the indexation rate in effect.

Note: For 2015, insurance contributions will be indexed.

MOPEDS AND MOTORIZED SCOOTERS

Analyses reveal that the insurance contribution payments made by owners of mopeds and motorized scooters, as of December 31, 2010, did not cover the costs of compensation benefits for this category.

The SAAQ is therefore proposing an increase of the insurance contributions to achieve full financing for this category of contributors.

To avoid too steep an increase, however, the limit on increases would apply to this category.

Table 13 Proposed Insurance Contributions for Registration of Mopeds and Motorized Scooters

VEHICLE	INSURANCE CONTRIBUTION FOR 2012	INSURANCE CONTRIBUTION FOR 2013			INSURANCE CONTRIBUTION FOR 2014*
	Estimate based on current rates (\$)	Financing (limits) (\$)	Funding (\$)	Total (\$)	Total (\$)
Cyclomoteur	205	202	33	235	259

* Contribution based on an indexation rate of 2%, which is subject to change based on the indexation rate in effect.
 Note: For 2015, insurance contributions will be indexed.

OTHER VEHICLES

Most owners of other types of vehicles would benefit from a drop in insurance contributions.

Table 14 Proposed Insurance Contributions for Registration of Other Vehicles

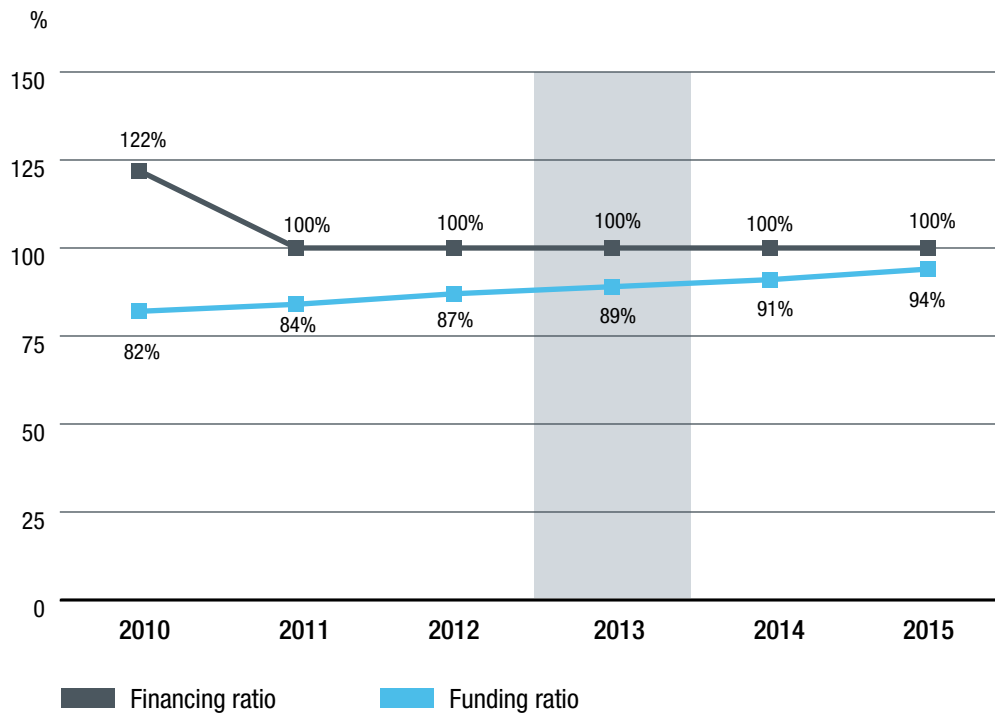
VEHICLE	INSURANCE CONTRIBUTION FOR 2012	INSURANCE CONTRIBUTION FOR 2013		
	Estimate based on current rates (\$)	Financing (\$)	Funding (\$)	Total (\$)
Farm or government truck with 2 axles	168	82	33	115
Farm or government truck with 3 or 4 axles	213	115	33	148
Farm or government truck with 5 or more axles	250	169	33	202
Truck with 2 axles	185	106	33	139
Truck with 3 or 4 axles	272	197	33	230
Truck with 5 or more axles	548	334	33	367
Restricted-area use vehicles other than motorcycles (zones of 70 km/h or less)	47	31	16*	47
Dealer plates (X licence plate)	247	120	33	153
Taxi	702	596	33	629
Farm tractor	35	17	8*	25
Commercial vehicle (F licence plate)	168	104	33	137
Farm vehicle (FA licence plate)	132	94	33	127
Vehicle operated under territorial licence	126	81	33	114

* Determined based on limiting funding to 50% of financing
 Note: For 2014 and 2015, insurance contributions will be indexed.

3. Review of the financial situation of the fonds d'assurance every three years

Thanks to the rules aiming to cover the \$1.6 billion deficit as at December 31, 2010 and the review of insurance contributions, the situation of the Fonds d'assurance automobile du Québec will be reinforced. SAAQ projections indicate that the funding will reach nearly 90% as at December 31, 2013, for a residual deficit of \$1 billion.

Table 15 Changes in the Financial Health of the Fonds d'assurance automobile du Québec



The financial situation of the automobile insurance plan is affected by a series of external factors, the most important being the road safety record and economic conditions. Because the finances of this type of plan are managed on the basis of long-term projections, it is important to monitor its progress periodically. Therefore, the funding policy adopted by the SAAQ provides for mechanisms to manage annual gains and losses as of 2011. The rate schedule procedure will now be conducted every three years and, where necessary, adjustments will be made to insurance contributions.

CONCLUSION

Following an exhaustive examination of the financial situation of Québec's public automobile insurance plan, the SAAQ is endorsing an approach that combines funding and changes to insurance contributions to continue to target a sustainable and equitable plan.

The SAAQ has an earnest concern for the ability of contributors to pay, but it believes that this proposal is realistic and fair. It remains, however, very open to a reworking of the proposal and new ideas. That is why anyone with an interest is strongly encouraged to take part in the public consultation process that is getting under way.

APPENDIX A

Table of compensation benefits

Compensation benefits for accidents occurring between January 1 and December 31, 2011

COMPENSATION BENEFITS	AMOUNTS
Income replacement benefit ⁽¹⁾	90% of net income, computed on the basis of a gross income not exceeding \$64,000
Care allowance	Weekly maximum: <ul style="list-style-type: none"> ▶ \$392 for 1 person ▶ \$440 for 2 people ▶ \$485 for 3 people ▶ \$534 for 4 or more people
Lump-sum indemnity for students ⁽²⁾	<ul style="list-style-type: none"> ▶ \$4,695 per school year lost at elementary level ▶ \$8,615 per school year lost at secondary school level ▶ \$8,615 per term lost at post-secondary level, up to \$17,229 per year
Lump-sum for after-effects such as loss of enjoyment of life, mental suffering and pain	Maximum of \$219,671
TYPE OF EXPENSES	AMOUNTS
Care expenses	Weekly maximum: <ul style="list-style-type: none"> ▶ \$119 for 1 person ▶ \$157 for 2 people ▶ \$198 for 3 people ▶ \$236 for 4 or more people
Home care expenses	A weekly maximum of \$784 for an accident victim whose state of health requires continuous care
Availability allowance	\$35 maximum for availability of 4 hours or less \$70 maximum for availability of more than 4 hours

1. When an accident victim who already receives an income replacement indemnity reaches age 65, the indemnity is reduced by 25% on that day, by 50% on the 66th birthday, by 75% on the 67th birthday and ceases being paid altogether on the 68th birthday.
2. Starting on the scheduled date for the end of studies, students may be entitled to receive an indemnity based on \$38,805, which corresponds to the average earnings of Québec workers for the year in progress.

TYPE OF EXPENSES	AMOUNTS
Clothing	<ul style="list-style-type: none"> ▶ \$400 maximum for dry-cleaning, repair or replacement of clothing ▶ \$1,000 maximum for leather clothing or helmet worn in a motorcycle accident
Contact lenses	<ul style="list-style-type: none"> ▶ \$110 for replacement ▶ \$300 maximum for purchase
Eyeglasses	\$100 for frames and the actual cost of lenses
Medical reports	<ul style="list-style-type: none"> ▶ \$25 maximum for a Physician's Report⁽³⁾ ▶ \$25 maximum for an Initial Medical Report⁽⁴⁾ ▶ \$70 maximum for a Medical Assessment Report⁽⁴⁾ ▶ \$70 maximum for a Medical Progress Report⁽⁴⁾ ▶ \$65 maximum for a Medical After-effects Report⁽⁴⁾
Professional fees	<ul style="list-style-type: none"> ▶ \$36 maximum per prescribed treatment for physiotherapy or occupational therapy ▶ \$31 maximum per prescribed treatment for chiropractic care ▶ \$26 maximum per prescribed treatment by acupuncture ▶ \$65 maximum per prescribed psychological treatment ▶ For fees of other professionals, call our information line
Substitute labour costs in a family business	Weekly maximum of \$783 with supporting documents for the first 180 days
Medication	To be determined on presentation of bills or receipts
Prostheses, orthoses, etc.	To be determined on presentation of bills or receipts, based on maximum amounts set forth in the Regulation

3. The *Physician's Report (Schedule 1)* is no longer requested by the SAAQ as of May 20, 2010.

4. This report is used by the SAAQ as of May 20, 2010.

APPENDIX B

Proposed insurance contributions for bus registration

VEHICLE	INSURANCE CONTRIBUTION FOR 2012	INSURANCE CONTRIBUTION FOR 2013	INSURANCE CONTRIBUTION FOR 2014*
	ESTIMATE BASED ON CURRENT RATE (\$)	TOTAL (\$)	TOTAL (\$)
ATUQ buses			
3,001 kg to 8,000 kg	496	1 023	1 581
8,001 kg to 10,000 kg	603	1 077	1 581
Over 10,000 kg	1 504	1 550	1 581
School buses			
3,000 kg or less	169	170	173
3,001 kg to 8,000 kg	264	170	173
8,001 kg to 10,000 kg	342	170	173
Over 10,000 kg	448	170	173
Formerly private buses, 10,000 kg or less			
Other buses (not ATUQ, not school) 3,000 kg or less	169	212	261
Other buses (not ATUQ, not school) 3,001 kg to 8,000 kg	264	256	261
Other buses (not ATUQ, not school) 8,001 kg to 10,000 kg	342	256	261
Formerly public buses, 10,000 kg or less			
Other buses (not ATUQ, not school) 3,000 kg or less	383	256	261
Other buses (not ATUQ, not school) 3,001 kg to 8,000 kg	496	256	261
Other buses (not ATUQ, not school) 8,001 kg to 10,000 kg	603	256	261
Formerly private buses, over 10,000 kg			
Other buses (not ATUQ, not school) over 10,000 kg	448	547	660
Formerly public buses, over 10,000 kg			
Other buses (not ATUQ, not school), over 10,000 kg	1 504	647	660

* Contribution based on an indexation rate of 2%, which is subject to change based on the indexation rate in effect.

Note: For 2015, insurance contributions will be indexed.

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