

MARKET BULLETIN

REF: Y4116

Title	Canada: Ontario Statutory Accident Benefit Claims for Automobile Insurance
Purpose	To inform the Market of the mandatory use of the Health Claims for Auto Insurance System with effect from 1 February 2008
Type	Event
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Date	14 January 2008
Deadline	1 February 2008
Related links	

Changes

In May 2007, Lloyd's 'What's New' publication and subsequently the information held on Crystal (see the pre-placement considerations, class specific regulations section for Ontario) advised that with effect from 1 February 2008 all licensed automobile insurers and health care providers with active Statutory Accident Benefit (SAB) claims were required to use the Health Claims for Auto Insurance Processing system (the HCAI System).

The HCAI system allows for the online submission, review and approval of key automobile insurance claims forms. HCAI was developed in consultation with the Financial Services Commission of Ontario (FSCO) and other stakeholders, including various health care provider associations.

Please see the 'Further Information' section below for additional information relating to the HCAI system.

Reason for Change

FSCO have introduced the mandatory use of HCAI pursuant to section 268.3(1) of the Ontario Insurance Act for the purposes of setting out the requirements for delivery of certain documents under sections 44.1(1) and 68(3.2) of the Statutory Accident Benefits Schedule – Accidents on or after November 1 1996 (SABS) as amended by Regulation 533/46.

On confirmation from FSCO that the use of HCAI was to become mandatory, Lloyd's Canada submitted an exemption application to FSCO, on behalf of Lloyd's underwriters, due to the small number of open SAB claims being managed by coverholders/third party administrators. In December, Lloyd's Canada was advised that its exemption application had proved unsuccessful.

Action Required

Whilst Lloyd's Canada has previously contacted all coverholders/third party administrators managing active Ontario SAB claims to advise them of this regulatory obligation, managing agents should ensure that they also contact the parties managing such claims on their behalf and ensure that they meet this regulatory obligation and comply with the [HCAI's terms and conditions](#) and [HCAI Operating Procedures Document](#) when administering such claims.

Further Information

The HCAI system allows for the electronic transmission of certain accident benefit claims forms, in a format approved by FSCO under the Ontario Insurance Act, to be submitted electronically to automobile insurers by health care providers or their intermediaries by way of a Central Processing Agency (CPA).

The HCAI system also permits the communication of a response by the relevant insurer to the appropriate health care provider or third party administrator.

The CPA is the agent designated to receive accident benefit claims forms on behalf of insurers. The forms exchanged within HCAI are: OCF-3, OCF-18, OCF-21, OCF-22, OCF-23 and OCF-24.

The primary role of the CPA is to act as the agent of insurers to receive specified documents on their behalf, to confirm that the documents are duly completed and contain all the information required to be included in them, and then to make the documents available for access by the insurers to whom they are addressed. The CPA is also expected to be a primary source of the information that automobile insurers will be required under section 101.1 of the Ontario Insurance Act to provide to the Superintendent of Financial Services concerning claims for goods and services for which automobile insurers are liable under contracts of automobile insurance.

Stated benefits of HCAI are: improved quality of data, enabling better decision making by adjusters, reduced insurer handling, review and correction costs, improved communication with health care providers, on-line access to real-time information, ability to capture detailed health claims information for insurers to analyze their claims business, access to accurate, comprehensive health claims statistics to monitor and make improvements to the auto insurance product.

Further information in relation to HCAI can be found by accessing the following links:

[HCAI Information Resource Site](#)

[Ontario Insurance Act](#)

[Statutory Accident Benefits Schedule – Accidents on or after November 1 1996](#)

If you have any queries about the above please contact one of the following:

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