

members under the *Family Law Act*). These deductible amounts were set in 2003 and have not changed since that time.

7.1 Bodily Injury Claims Experience for Private Passenger Vehicles

The focus of the 2010 reforms and several ongoing initiatives has been on accident benefit costs and increasing consumer choice. This attention was prompted by the rapid rise in costs experienced between 2004 and 2010 and the reported level of abuse and fraud.

Bodily injury claim costs are the largest portion of total claim costs, increasing from about 26% of total costs in the 2010 accident year to 34% of total costs in the 2013 accident year. The overall level and frequency of bodily injury costs have increased and are now creating more pressure on the overall cost of the auto insurance system.

Increase in Claims Costs and Frequency³²

Table 5 below illustrates the increase in both the frequency and total claims costs of bodily injury (BI) claims.

Between the 2004 to the 2013 accident years, BI claims costs for private passenger vehicles increased from approximately \$1.32 billion to \$2.48 billion, an increase of approximately 88%. This is mainly due to a significant increase in the frequency of these claims. For the 2004 accident year, the frequency of BI claims was 0.145 per 100 vehicles. By the 2013 accident year, the frequency of BI claims increased to 0.253 per 100 vehicles. The impact on the average claim cost per vehicle for BI coverage has increased correspondingly, from \$222.75 per vehicle in the 2004 accident year to \$362.64 in the 2013 accident year, a jump of approximately 63%.

Table 5 – Bodily Injury (Tort) Claims Experience for Private Passenger Vehicles					
	2004	2009	2010	2012	2013
No. of BI Claims	8,630	14,447	16,726	14,420	17,334
No. of BI claims per 100 earned vehicles	0.145	0.222	0.255	0.213	0.253
Average cost per BI claim	\$153,310	\$139,508	\$129,642	\$149,603	\$143,319
Average BI cost per insured vehicle	\$222.75	\$310.31	\$330.31	\$318.77	\$362.64
Total BI claims costs	\$1.32B	\$2.02B	\$2.17B	\$2.16B	\$2.48B

³² All data from General Insurance Statistical Agency exhibit for private passenger vehicles.