



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FOURTH LEGISLATURE

Bill 130

**An Act to amend the Automobile
Insurance Act and other legislative
provisions**

Introduction

Introduced by
Mr Sam L. Elkas
Minister of Transport

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EXPLANATORY NOTES

This bill amends the Automobile Insurance Act in consequence of the Budget Speech delivered by the Minister of Finance on 20 May 1993.

To that end, the bill authorizes the Government to provide the Société de l'assurance automobile du Québec with a guarantee of revenue to safeguard its financial autonomy, and introduces a provision that will allow the Government, from 1996, to adjust the insurance contributions and the duties collected by the Société for vehicle registration and the issue of driver's licences.

The bill also amends the Act respecting the Société de l'assurance automobile du Québec to allow payment into the consolidated revenue fund, for the Government's fiscal years 1993-94 and 1994-95, of the amounts indicated in the Budget Speech.

Finally, the bill clarifies the provision which authorizes the Government to re-evaluate the costs of health services required as a result of automobile accidents and introduces amendments of a technical nature and for concordance.

ACTS AMENDED BY THIS BILL:

- Automobile Insurance Act (R.S.Q., chapter A-25);
- Highway Safety Code (R.S.Q., chapter C-24.2);
- Act respecting the Société de l'assurance automobile du Québec (R.S.Q., chapter S-11.011).

Bill 130

An Act to amend the Automobile Insurance Act and other legislative provisions

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Automobile Insurance Act (R.S.Q., chapter A-25) is amended by inserting, after section 151.3, the following section:

“151.4 For the year 1996 and for each subsequent year, the Government may revalorize the insurance contributions fixed pursuant to sections 151 to 151.2 and the duties fixed pursuant to paragraph 8.4 of section 618 and sections 619.1 to 619.3 of the Highway Safety Code. Revalorization shall be carried out in accordance with the calculation method provided in sections 83.35 to 83.39.

After consulting the Société, the Government shall fix the date on which the revalorization takes effect.

The decision of the Government to revalorize or not the duties or insurance contributions, in respect of a given year, shall be published in the *Gazette officielle du Québec*.”

2. Section 152 of the said Act is amended

(1) by replacing the word “sums” in the first line of the first paragraph by the words “insurance contributions”;

(2) by inserting the words “and revalorized, where that is the case, in accordance with section 151.4” after the figure “151.3” in the first line of the first paragraph;

(3) by replacing the words “amounts are fixed or” in the sixth line of the first paragraph by the words “insurance contributions are fixed and such amounts are”.

3. Section 155.3 of the said Act is amended by adding, at the end, the following paragraph:

“Where the sum prescribed in section 155.1 has already been paid by the Société for the year in which the Government fixes a revised sum pursuant to this section, the Government may, to take account of changes in the cost of health services required as a result of automobile accidents, fix by order an additional amount that must be paid by the Société, representing the difference between the sum already paid for the year and the revised sum fixed pursuant to this section. The terms and conditions of payment thereof shall be set out in the order.”

4. The said Act is amended by inserting, after section 155.6, the following chapter:

“CHAPTER IV

“GUARANTEE OF REVENUE

155.7 For the fiscal year 1994 of the Société and for each of its nine subsequent fiscal years, the Government shall provide the Société with a guarantee of revenue in accordance with the provisions of this chapter.

155.8 For the purposes of this chapter, the Société shall inform the Minister of Finance on a regular basis of the changes in its financial situation and, on request, shall provide him with the information and documents it holds for that purpose.

155.9 Where the Société’s draft financial statements for a fiscal year show an excess of expenditure over revenue and a contingency reserve level below \$300 000 000, the Société must, forthwith, advise the Minister of Finance that it requires a guarantee of revenue in order to maintain a balance between its revenue and expenditure.

155.10 The amount of the guaranteed revenue shall be established by the Société and shall be equal to the difference between \$300 000 000 and the balance of the contingency reserve as shown in the Société’s draft financial statements for the fiscal year in question.

155.11 On the basis of the information and documents provided under section 155.8 and, where applicable, the additional vouchers requested from the Société by the Minister of Finance, the Minister of Finance shall authorize the Société to withhold the amount of the guaranteed revenue from the vehicle registration duties collected from July to December inclusively of the Government’s fiscal

year beginning on 1 April following the end of the Société's fiscal year referred to in section 155.9.

The amount of the duties withheld by the Société shall be apportioned equally on a monthly basis.

"155.12 The amounts withheld pursuant to the guarantee of revenue shall not exceed \$60 000 000 for any one fiscal year of the Société and \$250 000 000 for all the fiscal years referred to in section 155.7.

"155.13 Where the Société's draft financial statements for a fiscal year following the provision of a guarantee of revenue show an excess of revenue over expenditure and a contingency reserve level above \$300 000 000, the Société must, forthwith, advise the Minister of Finance that it will have surplus revenue.

On request by the Minister of Finance, the Société shall pay into the consolidated revenue fund the amount of surplus revenue equal to the difference between the balance of the contingency reserve shown in the Société's draft financial statements for the fiscal year in question and \$300 000 000, up to the cumulative aggregate of the sums already withheld pursuant to section 155.11.

The terms and conditions of payment of the surplus revenue are the same as those applicable to the withholding of vehicle registration duties as guaranteed revenue.

The Société shall be released from its obligations when the cumulative aggregate of the sums paid reaches the cumulative aggregate of the sums withheld.

"155.14 If the Société's receipts from insurance contributions for its fiscal year 1994 exceed the receipts from insurance contributions for its fiscal year 1993 increased by an amount of \$120 000 000 and amounts representing the growth in the number of vehicles on the road and in the number of driver's licences in 1994, the Société shall pay the excess amount out of its contingency reserve into the consolidated revenue fund not later than 31 March 1995; should the Société's receipts be less, the Société, on the authorization of the Minister of Finance, shall withhold an amount equivalent to the difference from the vehicle registration duties to be collected by it from January 1995 to March 1995."

5. Section 21 of the Highway Safety Code (R.S.Q., chapter C-24.2) is amended by replacing the words "duties and fees fixed by regulation, the insurance contribution fixed pursuant to sections 151.1 and 151.2 of the Automobile Insurance Act (chapter A-25)" in the first,

second and third lines of subparagraph 3 of the first paragraph by the words “fees fixed by regulation, the duties fixed by regulation and revalorized, where applicable, in accordance with section 151.4 of the Automobile Insurance Act (R.S.Q., chapter A-25), the insurance contribution fixed pursuant to sections 151.1 and 151.2 of that Act and revalorized, where applicable, in accordance with section 151.4 of that Act”.

6. Section 31.1 of the said Code is amended by replacing the words “duties and fees fixed by regulation, the insurance contribution fixed pursuant to section 151.1 of the Automobile Insurance Act (chapter A-25)” in the fourth, fifth and sixth lines of the first paragraph by the words “fees fixed by regulation, the duties fixed by regulation and revalorized, where applicable, in accordance with section 151.4 of the Automobile Insurance Act, the insurance contribution fixed pursuant to section 151.1 of that Act and revalorized, where applicable, in accordance with section 151.4 of that Act”.

7. Section 69 of the said Code is amended by replacing the words “duties and fee fixed by regulation as well as the insurance contribution fixed under sections 151 and 151.2 of the Automobile Insurance Act (chapter A-25)” in the fourth, fifth and sixth lines of the first paragraph by the words “fees fixed by regulation, the duties fixed by regulation and revalorized, where applicable, in accordance with section 151.4 of the Automobile Insurance Act as well as the insurance contribution fixed pursuant to sections 151.1 and 151.2 of that Act and revalorized, where applicable, in accordance with section 151.4 of that Act”.

8. Section 93.1 of the said Code is amended by replacing the words “duties and fees fixed by regulation and the insurance contribution fixed pursuant to section 151 of the Automobile Insurance Act (chapter A-25)” in the third, fourth and fifth lines of the first paragraph by the words “fees fixed by regulation, the duties fixed by regulation and revalorized, where applicable, in accordance with section 151.4 of the Automobile Insurance Act as well as the insurance contribution fixed pursuant to section 151.1 of that Act and revalorized, where applicable, in accordance with section 151.4 of that Act”.

9. Section 23.2 of the Act respecting the Société de l'assurance automobile du Québec (R.S.Q., chapter S-11.011) is repealed.

10. The said Act is amended by inserting, after section 23.4, the following sections:

“23.5 For the fiscal year 1993-94 of the Government, the Société shall also pay into the consolidated revenue fund a sum of \$675 000 000 payable before 31 March 1994.

“23.6 For the fiscal year 1994-95 of the Government, the Société shall also pay into the consolidated revenue fund a sum of \$325 000 000 payable before 31 March 1995.”

11. Section 3 has effect from 1 January 1992.

12. This Act comes into force on (*insert here the date of assent to this Act*).