

**FAIR Submission on**

**Bill 15, an Act to Amend Various Statutes in the Interest  
of Ontario's Wealthy Insurers and Ignoring Accident Victims**

**Submitted by:**

**FAIR**

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FAIR Association of Victims for Accident Insurance Reform is a not-for-profit consumer organization whose membership is comprised of motor vehicle accident victims and their supporters.

Its customary to say thank you for allowing us the time to input but that would grant legitimacy to hearings that have given Ontario's 9 million drivers a mere 15 minutes of consultation. Why aren't you listening to the people who actually use the insurance product under discussion?

MVA victims invariably have the same question – “Why is my insurance company doing this to me?” Only half of the claims in Ontario are being properly handled every year – the other half end up in our courts.

What they really should be asking is “Why is the MPP that I voted for and who is supposed to represent the best interests of their constituents and Ontario, striving so hard to hurt MVA victims?”

Bill 15, as it is written here, is virtually without any details about the changes to auto insurance coverage and stands as a fine example of how the auto insurance file is handled by the government of the day. Ramming changes through without clarity or any real consideration of how badly it will harm the already injured and damaged MVA victims has become a habit.

Insurers in Ontario are like junkies addicted to high profits by providing poor service to their clients who are in need. And like the proverbial addict they are always looking for another easy ‘fix’ to make themselves richer. This has translated into a bloated and incompetent industry that appears to be ready to do just about anything to enhance already obscene profits. Profits made on the backs of some of the most injured and impaired people in the Province. And the shocker is that our government is on board with it.

So, like dealers ready to make a sale without consideration for the outcome, many of Ontario's legislators enable the junkie to get their ‘fix’ regularly with pro-insurer legislation and without regard to victims.

In an effort to afford some legitimacy to the act of bullying and beating up on injured people this is done under the guise of ‘fighting fraud’.

The MPP who called these changes “disgusting” was being far too kind. Victims, who are already exposed to all manner of underhanded claims handling tactics by their own insurance company, call what is being done to them on a daily basis fraud, intimidation, harassment and criminal and the lack of action on the part of our government to protect the MVA victim, unethical.

What does it take for our legislators to care more about the people that put them in their chair than the insurers who court their favour?

How are accident victims going to be impacted by Bill 15 and how much time was allotted to their interests?

What do our legislators have against MVA victims anyway?

What’s wrong with a system built on honest, accurate medical evaluations, insurers that stand behind their contracts, and court cases heard by experienced arbitrators in an open and honest way?

How many hours were afforded the insurance industry lobby group, the IBC? How many constituents does the IBC represent?

How is the IBC and their member insurance companies going to be impacted and how many more billions will end up in insurance company pockets while accident victims are starving, are without treatment and without adequate resources?

You don’t know and I can’t say because Bill 15 doesn’t have any inconvenient details on that. According to discussions at Queen’s Park you don’t even know whether a new dispute resolution system will even save any money and yet it is full steam ahead. We can’t tell if the fully experienced arbitrators we already have are going to be replaced with less experienced adjudicators either because that hasn’t been determined yet. But you do know that fewer victims will have access to justice and that seems to be a minor pesky detail that isn’t worth consideration.

The proposed reduced 1.3% prejudgement interest rate has absolutely nothing to do with combating fraud but will surely be an incentive for unscrupulous insurers to defraud their customers out of timely benefits. After all, in yet another questionable move, legislators have already

guaranteed a substantial ROE interest rate that insurers can enjoy. Some insurers are already beating their customers down and defrauding the victims out of what they paid for by delaying and denying claims.

Think the court backlog, caused by Ontario's insurers and the legislators that assist them, will get better? Maybe even disappear like the insurance coverage you keep legislating away?

Sure, you can quietly download the costs of unpaid injured claimants to the taxpayer but even now questions are being asked about why so many more people are at the food banks in recent years. Injured people don't just disappear or magically recover without treatment. You can ignore that some of the 10,000 people waiting in the queue for CPP disability are Ontario's unpaid accident victims or that the province is picking up the tab through welfare and ODSP but it's going to get a little harder as the number of desperate people rise and the insurance profit margin rises at a comparable rate.

Maybe you think it is OK that many victims wait 10 years or more to get what they paid for. Maybe you think it is right to strip coverage and treatment to increase insurer profits. You seem prepared to make it harder for victims to hold insurers accountable - voting for the changes in Bill 15 that will reward those insurers that regularly fail to pay legitimate claims. Even as victims have mortgaged or even lost their homes and are unable to pay for their own treatments or they've gone into serious debt to fund treatment or to just put food on the table.

We think reducing the prejudgement interest insurers pay will encourage insurers to turn down even more claims. If there are no punitive measures to discourage delaying claims insurers will take that money owed to claimants and invest it while claimants go without supports or treatment and have to pay interest on money they borrow. Debt incurred in order to survive and to hire expensive lawyers to get what they paid for and are entitled to. Many will not be able to afford to even go to court.

Reduced interest payable on SABs won't benefit insurers who are properly handling their claims and paying what they owe but it will incentivize those insurers who do deliberately delay claims and it will reward those with more shady business practices.

Right now all legitimate victims have is the occasional 'special award' equal to 50% of the amount wrongfully denied by an insurer at FSCO hearings and the prejudgment interest awarded at FSCO (1% per month or 12% per year) and at civil court (5% per year). It is already not enough to deter excessive claims denials or poor claims handling practices.

Borrowing money to cover the costs that absent insurers should be paying and then not being able to recover the cost of that expense is unfair. Victims are often paying in excess of 20% interest and even up to 50% on funds they need for treatment. Why are our legislators on board to help the insurers and the IBC to put an extra financial beating on victims by rewarding insurers with a lowered interest rate payable on amounts that they should have paid in the first place? Insurers will invest our treatment and other SAB dollars and only have to pay 1.3% interest on the money the victims has to borrow to get through a claim – they are already doing it.

The message we hear is it's all about insurer profits and the health and welfare of Ontario's citizens will have to come second after private company profits.

Insurance is a business and notably one without a heart so we can't really fault them for looking for extra profit when each has its own bloated business hierarchy that must be financially supported. Have they managed to cut any costs to accommodate the 15% reduction in premiums that you've mandated? Have you even asked the insurers what they've done on their end or is the plan to just strip benefits and punish victims until they stop making claims?

You might want to hurry the process up with 80% of claims capped at \$3500 for med-rehab (less the cost of the often biased medical examinations so really \$2000) because you are fast running out of giveaways to the industry.

What will you tell your constituents when they come to your office looking for help with their insurance claim? Sorry, the insurers needed to make a few billion more and I forgot that this affects real people so I voted for it? Will you have a handout brochure for victims to direct them to the nearest food bank and the closest welfare office?

Will you be the one to tell them that their access to court sounds like a better system under Bill 15 than the DRS we have now but they might not be able to gain access because you didn't ask for details in the rush to agree with Ontario's insurers? Or that the person who hears their case may not have any experience with personal injury. Maybe explain how you voted for something without adequate information on only one recommendation and a 15 minute talk with a few victims? Or how their rights are being violated when legislation treats MVA victims like third class citizens by removing their right to sue an insurer - leaving them without the same access to justice as other Ontarians enjoy?

Will you tell them that each time you voted to change the Insurance Act, with band-aid legislation that favoured insurers and that you made the problems worse and more victims were denied and/or punished? Will you tell them it's because insurers love this sort of thing because it gives them an excuse to make new 'case law' for the new regulations and that they, the victim, and not their insurance company, will be the ones paying for that too through drawn out hearings and expensive lawyers?

Will you tell them that they should be satisfied with the 1.3% interest they get on benefits that were wrongfully denied to them and never mind that they are bankrupt now. Maybe you can garner some sympathy and support by telling victims that insurers more often than not are spending far more to deny a claim than the cost of the treatments and rehab that are requested and they needed a 'break' and we should feel sorry for them.

Maybe you can come up with a better explanation for the backlog in the court systems. Something other than the reality that biased and bogus medical information that their insurance company bought and paid for in order to deflate and then derail their legitimate claims is at the core of the problem that no one wants to fix, including MPPs.

Maybe there's a reason why medical practitioners who do a bad job evaluating accident victims' injuries or who write biased or poor quality reports are allowed to continue to abuse and bully victims. Why are you allowing assessors to repeat their offences over and over and not demanding that the Colleges in Ontario do the job they've promised to do and stop harming the public and vulnerable accident victims? Why aren't you fixing that problem – the one thing that will make the system substantially more functional and honest?

Ontario's auto insurance is an increasingly unstable and unpredictable product that has become unmanageable or dysfunctional over the last two decades. With every change to coverage, every threshold put in place, there is more uncertainty and more cases in dispute. Accident victims have taken no role in initiating or implementing these changes that cause confusion and delays, insurers have.

Victims didn't break the system and they certainly have not been listened to. You, our legislators, have done the damage each and every time the IBC and the industry has asked you to do so.

We are asking you not to pass Bill 15 as it now stands. We ask that you take the time to clarify what it is you are really voting for. Walk a mile in MVA victim shoes, after all, you are only one bad driving decision away from being one yourself.

Ontario ought to be looking at alternatives that would serve the public better; it is after all a system with a purpose, to serve Ontario's accident victims and not just about doing favours for insurance companies.

## **FAIR Association of Victims for Accident Insurance Reform**