

Government slashes benefits to MVA victims and calls it “Promoting consumer protection”

FAIR calls for a moratorium on the proposed auto insurance changes in the 2015 budget

Media Release April 28 2015 The 2015 budget is an absolute windfall for Ontario’s insurers who are the beneficiaries of Building Ontario Up by building up their already substantial profits on the backs of Ontario’s seriously injured auto accident victims.

Did our legislators or Mr. Sousa even read the recent [Schulich School of Business report](#) on Ontario’s insurance industry profits? Ontario’s wealthy insurance companies have had an "easy ride for over 20 years" and insurers have overcharged Ontario drivers by billions of dollars over the years according to that report. If Mr. Sousa had read the report there should have been some second thoughts about this latest billion dollar gift to insurers. Victims don’t just disappear when insurers fail to live up to the promise of coverage; they just end up on our public support systems at the tax-payers’ expense.

Our government, under the guise of protecting victims, is proposing to cut over a \$1 million dollars in coverage for the most seriously injured among us while pretending that they are fiscally responsible. You don’t have to be an accountant to see that the government is doing the industry a big financial favour and doing it on the backs of some of the most disabled individuals in Ontario. It’s a disgusting and unacceptable way to treat these vulnerable individuals.

This latest slash to benefits, buried in a budget bill, is certainly deceptive but it is also bad economics to be giving away money to wealthy insurance companies while calling it balancing the needs of injured claimants to recover. It is an illusion to say that we are ensuring affordable insurance by allowing insurers to pay injured victims less and simultaneously be downloading the cost of victims to the taxpayers who are also the same drivers looking for a break on insurance premiums.

The Budget does nothing to ensure that insurer claims management practices are fair and there has been no action on [FAIR’s concerns](#) about the biased and corrupt insurer medical examination (IME) reports that are disqualifying innocent and legitimate accident victims. The auto insurance landscape should be cleaned up but instead we are seeing Ontario’s auto insurers being rewarded handsomely for disqualifying as many claims as they manage to handle.

Our legislators must be under significant pressure to be willing to support the abuses and dysfunction in our insurance system. We have to remember that to bring in the LAT system it requires that our MPPs ignore the Charter rights of all accident victims to access to our courts and that our elected officials are willing to create a third class citizen by denying that right. It is no small thing to denigrate the most vulnerable members of our society so an elite industry can profit.

We have no doubt that the new Tribunal hearings system will benefit Ontario’s insurers who are still doing nothing about their poor claims handling practices. Our government is not fixing the problem of the unprecedented volume of cases in the court system and the 61,063 unpaid and untreated accident victims waiting for justice. The new LAT system will be faster but will still punish victims and be based on Ontario’s insurers’ dependence on their deceptive and dishonest medical reports.

Ontario insurance is an adversarial delay and deny business model and profits depend on the turn down of claims. But who is paying for that? Well, first the victims who endure the endless bogus medical

examinations required by our insurers in order for them to deny to access benefits. There are now so many thresholds and quantifiers of injury because insurers and the IBC work very hard to keep injured Ontarians at the lowest level of coverage and the more levels of coverage there are, the more opportunity there is for an insurer to deny the claim. All of these coverage issues are worked out in our courts at a cost to the taxpayer and not our insurers.

Even small changes such as the “require goods and services not explicitly listed in the Statutory Accident Benefits Schedule (SABS) to be “essential” and agreed on by the insurer” will become a point of contention and lead to even more cases in our courts if these changes pass into law.

There were over 42,000 Ontario Disability Support Program (ODSP) applications last year, many of them auto accident claimants who are forced to wait many years for their benefits. There are 61,063 auto insurance cases on the docket in Ontario courts, there are over 25,000 cases at the Financial Services Commission DRS unit, and many of our members are on ODSP and CPP disability so Ontario’s insurers are already well on the road to paying less than their fair share of MVA expenses and we already have a distorted form of public auto insurance.

The Ontario government is willing to allow insurers to shave more than a million dollars of coverage from our policies and they've demonstrated a willingness to punish victims in a way we haven't seen before. There are about 600 or so catastrophically injured MVA victims every year and so this is an immediate saving of \$600 million in just the first year. Victims will be downloaded to the public systems that are not set up to service their disabilities and unlike the fantasy world of protecting claimants in Building Ontario Up, victims will be sacrificed to build up insurer profits. So now these injured individuals face a lifetime of now increased physical, emotional and financial challenges.

We are very concerned about the changes to the Catastrophic Impairment designation. The direction and the insurer presence on the CAT Panel haven't inspired confidence that the industry will do the right thing here. At one point only 75% of that Panel agreed that paraplegia or quadriplegia was a catastrophic injury. Now the potential that the industry will separate mental and physical injuries as if they were unrelated is another danger for injured victims and this too will lead to increased court challenges.

Why is our government indexing the court deductible of \$30,000 for tort claims but not considering indexing the inadequate \$400/wk income replacement for victims that has also stayed the same for well over a decade now? Here is a clear demonstration of the imbalance in how our government views auto insurance when the insurer's income from the deductible (and it is the insurer who gets to hang on to that \$30,000) is indexed to inflation and yet MVA victims are expected to survive on an amount that is lower than our minimum wage and far below the poverty line.

Ontario's drivers are at a greater risk than ever before with falling coverage, high premiums and with a government that clearly could care less about them.

FAIR Association of Victims for Accident Insurance Reform is a grass roots not-for-profit that advocates for Ontario's auto accident victims.

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