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Why is our Government allowing Ontario's wealthy insurers to slash benefits to the most injured of auto accident victims?

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.

Consumers and accident victims alike are already being short-changed when the coverage they purchased isn't there when they need it. According to the [Auditor General's 2011 report](#) on auto insurance about half of all claims end up in court trying to get what they paid for and that isn't any more acceptable than purchasing a car and finding out that the brakes only work half the time.

Ontario's wealthy insurance companies have had an "easy ride for over 20 years" according to the recent [Schulich School of Business report](#) on Ontario's insurance industry. Insurers have overcharged Ontario drivers by billions and are making 17% on their investments while claimants, who have paid in good faith, are left hanging out to dry at a time when they need assistance.

How can it be that 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? How is that fiscally responsible? 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.

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 every day. The auto insurance landscape should be cleaned up but instead we see Ontario's auto insurers being rewarded handsomely for disqualifying as many claims as they manage to handle through the [biased medical opinions](#) that have poisoned our insurance system, our courts, and are causing such hardship for legitimate claimants.

We can only speculate why our government is under such significant pressure to support the abuses and dysfunction in our insurance system. The new LAT system and increasing the \$30,000 deductible requires that our MPPs ignore the Charter rights of all accident victims to access to our courts. We would like to know why our elected officials are willing to create a third class citizen by making our courts unaffordable and inaccessible. 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 excessive claims turn down rate because our Government isn't even asking that the insurers be accountable for their shoddy claims handling practices. This inaction on the insurance file has led to the unprecedented volume of cases in our civil court system. The new LAT system will be faster but it 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. It's a simple plan because the more levels of coverage there are; the more opportunity there is for an insurer to deny the claim.

According to [HCAI data](#) insurers have consistently spent more on medical assessments than they do on treatment. There's a reason for this and it has nothing to do with returning their customers to wellness; it has to do with 'shopping' for medical opinions until the insurer gets what they want, an excuse to turn down the claim. All of these coverage issues are ultimately worked out in our courts at a cost to the taxpayer. This costs Ontario's insurers nothing and the biggest price is paid by the victims who are more likely than not going to have to pay for their own recovery while caught in the system. This isn't coverage; it's a false impression of comfort that just isn't there. It's now a fantasy of coverage our government is forcing us to buy.

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.

Many of our members are already on public supports. There were over 42,000 Ontario Disability Support Program (ODSP) applications last year and too many of them are auto accident claimants who are forced to wait many years for their benefits and who are already going without the treatment they need for recovery.

There are 61,063 auto insurance cases on the docket in [Ontario courts](#), there are over 25,000 claims at the Financial Services Commission [DRS unit](#), and many of our members are already on ODSP and CPP disability so Ontario's insurers are 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.

Why is the Ontario government willing to allow insurers to shave more than a million dollars of coverage from our policies and willing 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 will be an immediate saving of \$600 million in just the first year alone. 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. These seriously injured individuals will face a lifetime of increased physical, emotional and financial challenges if Bill 91 is passed as is.

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.

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 system is broken and no matter how much our government is willing to give to insurers and take away from the injured, it will still be broken and dysfunctional. We are asking you to put a moratorium on these changes until further review can be done to ensure that Ontario's auto insurance is providing the coverage we need. We need to look at changing the system, making it more reliable for victims and easier to navigate. These are procedural changes that insurers must make and it is up to government to ensure that they do so.

Thank you for the opportunity to present our point of view. We think it is important that you hear from victims and hope that next time the Standing Committee will invite actual victims to these hearings on issues that affect them rather than just listening to Ontario's insurers.

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

'FAIR – supporting auto accident victims through advocacy and education'

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