



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

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**Tammy Kirkwood, Vice Chair** of FAIR Association of Victims for Accident Insurance Reform.

FAIR is a grassroots not-for-profit organization of Ontario car accident survivors who have been injured and who have struggled with the current auto insurance system in Ontario.

Since 2010 our coverage has been slashed and reduced by the insurers lobbying for changes that increases their profits on the backs of MVA survivors and their families and ultimately us, the tax payer. With every cut to coverage we move closer to public auto insurance. With every 'threshold' insurers create, there is a new barrier to access recovery tools.

Our premiums keep rising and now the standard or basic coverage is not enough to provide necessary resources or funding for seriously injured people.

This has led to an enormous number of auto insurance related cases in our courts and a lack of faith in the industry overall.

It's not just low coverage that is the problem, it is also insufficient regulatory oversight that has allowed insurers to delay and deny coverage to one out of every 3 car accident survivors.

Over time legislators have removed any dis-incentive for insurers who behave badly. We are at a point where even the system that hears the cases of unpaid car accident victims, the LAT, has not put out a single decision in the last 3 months. Victims are now paying all of their legal costs even when successful at hearings and this is now an access to justice problem.

It is important that consumers have faith in our financial institutions. We need to be confident that oversight will protect the consumers, because these consumers are injured, ill, and very vulnerable patients.

It's time we hold insurers accountable and make them pay the real costs of recovery and support. It's not time to lower premiums or slash coverage. It's time for insurers to come clean about where all the premium dollars have gone and why they continue to fail Ontario MVA survivors. We look forward to the day when regulations have teeth and meaning and insurers treat their customers fairly.

Questions:

**Is there a plan for gaining better insight into the insurance industry's financial management of our premium dollars? Where is the money going?** There's plenty of evidence that insurer priorities aren't what they ought to be since they consistently spend more on medically examining victims than treating their injuries according to HCAI data. There's probably more to the story in relation to profits made through inappropriate claims denials with manipulated and expensive medical evidence and this lack of financial transparency is playing into the public's distrust of insurers.

FSRA report on pg 14 “Launch a Consumer Office, under the policy function, to provide a ‘consumer lens’ to enterprise-wide decision making so that FSRA strategies, policies and supervisory practices incorporate effective ways to protect, support and inform the public;”

On page 14 there is mention of a Consumer office. **Will there be a consumer office dedicated to just auto accident claim issues? Or is it all insurance issues? Or are all of the FSRA oversight areas included in just one office for consumers who have issues?**

Insurance takes up the largest chunk of money according to this FSRA budget and we think that is an indication of the level of problems associated with the insurance sector. **The FSCO model of complaints process is/was a failure so what will be different under FSRA?**

We would like to see some sort of immediate action taken to get insurers on track when a claim runs into problems. Will this be possible?

**Will there be a live person on the other end of the phone to answer consumer questions?**

**Will that person who picks up the phone be able to take steps to head off a claim going wrong? Will they be able to call the insurer and ask that they review their claims handling?**

Not all problematic claims should end up in court and insurers should not be allowed to delay payments in order to prop up profits.

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**What is the plan for how to hold insurers to account when they behave badly?**

There are currently no dis-incentives built into the system to deter insurers when they abuse their customers now that pre-judgment interest is so low and there are no special awards for the MVA victims when their insurer wrongly denies their claim. It’s now so slanted toward insurers that victims must pay all of their own legal expenses even as the insurer is found to have inappropriately denied their claim.

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**How far is the intended oversight expected to go? Are you aware that there’s been no decisions put out by the LAT in over 3 months?**

There’s a problem with that since there are victims who are without timely treatments in that line-up. It’s an indicator that the system isn’t working.

**Will the FSRA be taking an interest in that?**

This isn’t the first time the hearing system has been taken down by insurer overuse and by excessive claim denials – it also happened at the FSCO ADR unit in the past. The transfer to the LAT system was supposed to correct the excessive wait times.

According to the LAT AABS data from April 1, 2017 to March 31, 2018 LAT-AABS received 10,125 applications and as of September 21, 2018, LAT-AABS had 5,767 active cases.

**According to StatsCan there are over 58,000 motor vehicle related cases on the civil court docket - a backlog of cases that would take decades to hear in our overloaded court system**

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According to the Attorney General of Ontario the previous government failed to hold insurers financially accountable for the agreed transfer of funds to the province to cover some of the medical costs of victims who fall through the cracks. For 13 years the amount has remained unchanged because the last government never went after those funds – and it is well over a billion dollars lost. **Will it be under FSRA mandate to ensure that the public isn’t paying victim’s recovery costs and that insurers pay their fair share?**