



FAIR Association of Victims for Accident Insurance Reform

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Thank you for the opportunity to speak to the auto insurance issues facing Ontario consumers.

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.

Our comments will be brief and in respect to auto insurance issues only.

- **2.1 Protect the public interest**
- **4.1 Empower and protect auto insurance consumers**
- **4.2 Support and Implement Transformative Auto Insurance Reforms**

These statements imply that the FSRA recognizes that auto insurance customers and claimant interests should be of heightened concern in today's marketplace.

Unfortunately that has not translated into real inclusion at the Regulator. Consumers are 50% of the equation and yet have 0% representation at FSRA.

We note the [Ad hoc Industry Advisory Groups](#) in place since June of 2019 are all insurer oriented or include only those whose incomes are dependent on the insurers. Respectfully, if the industry is made up of buyers and sellers of auto insurance products why are there no consumers on these committees? Further, why are there no consumers on the auto insurance [Stakeholder Advisory Committee \(SAC\)](#) recently formed with an open invitation to consumers to participate?

The message received by the public is that the FSRA is so fully stacked with insurers that there will be a singular message coming only from insurers and only in their interests to the Regulator. This does not 'empower' consumers who have effectively been silenced by an utter lack of inclusion.

Unlike other financial sectors, Ontario consumers are legislated to spend their dollars on premiums for a promise of coverage if needed. Indeed, they enter into this agreement in the hopes they do not ever

have to use the product. These are consumers with expectations that are radically different than the investor who expects to have a return of dollars flow their way. Consumer interest in this instance is about ensuring the private companies who promise Ontario citizens coverage when they need it are not taking advantage of their vulnerable customers or the taxpayers and are carrying their load and living up to their contracts. In order for regulatory oversight to work it's going to take more than mere 'guidance'; it's going to take regulatory follow through and a much broader interest in consumer experiences and outcomes.

Continued focus on fraud without including the information about insurer fraud (medical file manipulation is a considerable driver of costs) is a concern for the public who picks up the pieces when this fraud allows insurers to skate away from their obligations. The taxpayers, whose dollars are used to fund the LAT hearings system and the Courts, are really paying for latent and ineffective quality control performed by the courts. The over 50,000 auto insurance cases on the civil court docket for many years and the steady stream of injured victims at LAT is concerning and expensive and it will continue without any consumer protection or safeguards in the system. There are currently no corrective measures, no disincentives for insurers who are incompetent file managers or who abuse their own customers. When there is a structural or systemic problem, such as tens of thousands of individuals unable to collect on the promise of coverage every year, the costs to taxpayers for social supports is enormous but the individual costs to those injured and without adequate resources is immense.

Transformative auto insurance reform implies a shift. The [Treating Financial Services Consumers Fairly Guideline](#) speaks to elevating the discussions and direction to empower the consumer. This can only be achieved when consumer interests are treated as equal to that of Ontario's insurers. That is only possible when their complaints about insurer fraud and market conduct are addressed with an equal level of concern as the insurers have enjoyed.

We appreciate the enormous work that goes into reforming the oversight for financial products and that there are many challenges ahead. We appreciate that FSRA participated in discussions about this at stakeholder meetings earlier this year. If there is a meaningful intent on "fulfilling FSRA's mandate to protect the public interest in financial services in Ontario by ensuring that consumer input and perspectives inform our regulatory direction and decisions" it does mean that consumers must be included.

We hope to participate in finding a better direction and improved oversight for consumers in the future.

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