November 1, 2022

Financial Services Regulatory Agency of Ontario

25 Sheppard Ave West

Toronto, ON M2N 6S6

**Re: Statement of Priorities 2023/2024**

The Association of Independent Assessment Centres (“AIAC”) consists of member companies who are arms-length, objective and neutral third parties between insurance companies and accident victims in the context of motor vehicle accident claims. AIAC members provide independent medical examinations of accident victims with a view to offering an opinion about their injuries, the appropriate treatment and the status of their disabilities. These opinions help accident victims to recover and, based on the assessments, assist claims adjudicators in determining the appropriate level of accident benefits.

I am writing on behalf of the AIAC. Thank you for this consultative opportunity following your posting of FSRA’s Statement of Priorities. Upon review of the Statement of Priorities, the AIAC’s acknowledges areas of relevance to our businesses as listed in section “**5.2 Develop recommendations and act on reforms of the auto insurance system”.** The following is not an exhaustive, detailed submission in response to the stated, relevant priorities. Rather, we wish to participate in this process as a valued stakeholder that will assist FSRA and the Ministry of Finance (MOF) with making the right decisions for consumers.

**FSRA Overview: FSRA will continue to support legislative changes to reform auto insurance regulation and provide expert advice on key trends and opportunities to improve outcomes for consumers.**

AIAC Feedback: With a focus on consumer outcomes, the AIAC appreciates the opportunity to continually provide FSRA with our expert advice on key trends and opportunities. All AIAC companies are accredited businesses by the Commission on Accreditation of Rehabilitation Facilities (“CARF”). This means that we have all undertaken the development and implementation of policies and procedures that puts the rate paying Ontario consumer first. Consumer advocacy is at the core of our foundation. Should you need more CARF information, we suggest that you research CARF’s role and rigorous accreditation process (CARF International, www.carf.org,) or speak with an AIAC member about the consumer protection benefits of this accreditation. AIAC membership represents the largest group of front-line health professionals and businesses providing insurer examination (IE) services to consumers. The AIAC is best positioned to provide expert advice to FSRA/MOF regarding IE trends and opportunities associated with any proposed legislative changes or reforms to auto insurance.

**FSRA Key Deliverable - a) Work with the Ministry of Finance to develop and implement initiatives to reduce fraud and abuse in the system.**

AIAC Feedback: The AIAC has been recognized by the Ministry of Finance as an expert stakeholder in auto insurance for many years. AIAC companies play an important function in accident claims resolution. We are the objective, non-partisan check and balance for determining medical benefit entitlements. Our evidence-based approach and the fairness of our opinions, support reasonable and necessary benefit provision to consumers, while identifying inappropriate benefit usage. Medical opinions provided by AIAC companies already help to reduce fraud and abuse in the system. We have ideas for improving the system and would be pleased to brief FSRA in that regard.

**FSRA Key Deliverable - b) Work with health providers and auto insurers to improve the Health Claims for Auto Insurance system, including the efficiency of billing and data practices to enhance consumer outcomes.**

Annually, AIAC companies send tens of thousands of transactions through the HCAI system. Through our Annual Information Return (AIR) submissions to FSRA, AIAC members constitute a significant funding source for the HCAI system. As high volume users of the HCAI system, we are positioned as experts in the system’s functionality and efficiency. We would like to see improvements with the transparency and access of system data that relates to the services we provide. Transparency and access initiatives should be both user and consumer focussed. Our insights and experience should be considered for system reform. Again, we remain committed to briefing FSRA on these reforms.

**FSRA Key Deliverable - d) Consult with public stakeholders, including consumer advocates, insurers, service providers, medical professionals and legal representatives, to identify opportunities to improve consumer outcomes. Planned outcomes i) Lower auto insurance system costs and the incidence of consumer harm resulting from fraud and abuse ii) Improved protection of consumer rights and interests.**

The AIAC applauds FSRA and the MOF for having a broad stakeholder perspective. It is likely that most proposed legislative changes or auto reform will impact all stakeholders, but consumers most of all. It is in the best interests of consumers that unintended consequences of such reforms are kept to a minimum, if not avoided all together.

As it pertains to lowering “auto insurance system costs”, undoubtedly the goal is to make consumer insurance rates more affordable. As mentioned, the check and balance role of AIAC companies mitigates fraudulent or abusive system medical/rehabilitation expenses. It is a fact, supported by HCDB and GISA data, that despite inflation, medical rehabilitation and bodily injury expenses incurred by insurers have decreased and stabilized since the 2016 regulation changes. IEs are an intricate and important part to these systems. The costs associated with IEs is already miniscule, approximately 1.7% of insurers auto claims expenses. Accident benefit expenses and bodily injury expenses are not cost drivers.

Where the protection of consumer rights and interests is concerned, the AIAC has long recognized how important the protection of consumer rights and interests are in the auto insurance system. AIAC companies have several years of CARF accreditations and re-accreditations. Again, we reiterate that CARF places the focus of our interactions on the protection of the examinee and we implore FSRA to research CARF as you may find necessary. CARF mandates that AIAC companies track and log examinee satisfaction following each and every IE encounter. We have compiled this information to determine post-examination satisfaction rates of 97%.

AIAC companies have heard FSRA and MOF concerns that Ontario rate payers who are unfortunately involved in car accidents must navigate through too many assessments to determine access to benefits. We statistically analyzed the data on IE frequencies with the following results: Average number of assessments per examinee is 2.6, median number of assessments is 2, most frequently occurring number of assessments is 1. These are just examples of ways that the AIAC, unlike any other organization, is capable of providing FSRA with accurate information on the interplay of insurer examinations with Ontario’s auto insurance rate payers.

The auto insurance system in Ontario is not perfect. The AIAC acknowledges that there are changes that could improve the experience for consumers who are directly affected by motor vehicle collisions, or who, while not involved in motor vehicle claims, nevertheless pay high premiums for insurance coverage. We have outlined our ideas in several previous submissions to FSRA and the Ministry of Finance. Our solutions promote increasing credibility, neutrality, transparency and standardization in the IE process.

The AIAC is an important stakeholder in the Ontario auto insurance system. We ask that you continue to consult with us as you work towards implementing your key deliverables.

Regards,



Mark Wigle

President