

**FRAUD REPORTING SERVICE**

**FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO  
PROPOSED RULE 2024 – 003**

**AUTOMOBILE INSURANCE – FRAUD REPORTING SERVICE**

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## 1 Definitions

1(1) In this Rule,

- (a) “Act” means the *Insurance Act*, RSO 1990, c I.8, as amended;
- (b) “FSRA Act” means the *Financial Services Regulatory Authority of Ontario Act, 2016*, SO 2016, c 37, Sched 8, as amended;
- (c) “prescribed information” means the information an insurer is required to provide under subsection 101.3(1) of the Act in accordance with subsection 3(1) of this Rule.
- (d) “Rule” means this Authority Rule 2024 – 003
- (e) “fraud event” means a deceptive act or omission, or series of deceptive acts or omissions intentionally committed by a person(s) to obtain advantage, financial gain, or benefits beyond that to which one is entitled to with regard to any policy, claim, provision of goods or services or other occurrence related to automobile insurance, and for greater clarity includes instances of:
  - i. Obtaining an automobile insurance policy through fraudulent means, including underwriting fraud;
  - ii. Obtaining a benefit under a contract of insurance through fraudulent claims;
  - iii. Providing goods or services to a beneficiary under a contract of insurance through fraudulent means or in a fraudulent manner;
  - iv. Fraudulent activity in the selling or distribution of insurance products; and
  - v. Fraudulent activity committed by internal employees of an insurer.

## 2 Interpretation

- 2(1) If a term or phrase used in this Rule is defined in the Act, the definition used in the Act shall apply for the purposes of this Rule.
- 2(2) Words and phrases not defined in this Rule have the same meaning as ascribed thereto under section 1 of the FSRA Act unless a contrary intention appears.

- 2(3) References in this Rule to the Chief Executive Officer include reference to an authorized delegate or designated agency of the Chief Executive Officer as outlined in subsection 101.3(1) of the Act.
- 2(4) For the purposes of this Rule, references to “insurance” are limited only to “automobile insurance”.

### **3 Prescribed information under subsection 101.3(1) of the Act**

- 3(1) Prescribed information includes all information, including personal information, in the insurer’s possession, control or power related to any policy, claim, provision of goods or services or any other occurrence or event where the information provides reasonable grounds for the insurer to believe that a fraud event has occurred or is likely to occur.
- 3(2) An insurer shall within thirty days after the close of each quarter of the calendar year provide the information prescribed in subsection 3(1) of this Rule with respect to fraud events which in the preceding quarter the insurer has taken action or made a decision based on reasonable grounds for the insurer to believe that a fraud event has occurred or is likely to occur.
- 3(3) An insurer shall not disclose personal information that is not necessary for the purposes set out in subsection 101.3(2) of the Act when providing the prescribed information to the Chief Executive Officer.
- 3(4) An insurer shall de-identify all names and identifying numbers, symbols or other particulars assigned to individuals before an insurer provides the prescribed information to the Chief Executive Officer unless disclosure of the names or other identifying information is necessary for the purposes set out in subsection 101.3(2) of the Act.

### **4 Reporting requirements – Prescribed information**

- 4(1) An insurer shall ensure that all prescribed information is complete, up to date, and factually correct before an insurer provides the prescribed information to the Chief Executive Officer.
- 4(2) Every insurer who provides prescribed information that subsequently becomes aware that the information the insurer provided is or has become incomplete, out-of-date, or factually incorrect shall in the quarter following their becoming aware:

- (a) inform the Chief Executive Officer of the deficiencies in the prescribed information provided; and
  - (a) take reasonable steps to remedy the deficiencies in the prescribed information provided to bring the information into compliance with subsection 5(1) of this Rule.
- 4(3) If an insurer provides information to the Chief Executive Officer and subsequently discovers that the information either:
- (a) includes deficiencies that cannot be remedied as required by subsection 5(2)(b) of this Rule; or
  - (b) fails to meet the threshold of the reporting requirement outlined in subsection 3(1) of this Rule,
- then the insurer must immediately give notice and recommend the Chief Executive Officer to withdraw the information provided.
- 4(4) Every insurer shall submit the prescribed information through the Authority's electronic or computer-based system for the filing, delivery or reporting of the prescribed information.

## **5 Transitional**

- 5(1) An insurer is not required to report the information required in section 3 of this Rule until after [date].

## **6 Coming into force**

- 6(1) This Rule will come into force on the later of the date that section 101.3 and clause 8.2 of subsection 121.0.1(1) of the Act comes into force and 15 days after the Rule is approved by the Minister.