



Financial Services Regulatory  
Authority of Ontario

## **FSRA 2019-20 Priorities and Budget: Consultation Feedback Summary March 8, 2019**

Consultations on FSRA's draft 2019-20 Priorities and Budget included meetings with FSRA's seven [Industry Advisory Groups](#), a consumer round-table, and public consultation via the FSRA website from January 21 to February 14, 2019. The [Proposed FY 2019-20 FSRA Priorities and Budget](#) and comments received are posted on the FSRA website at: <https://www.fsrao.ca/en/consultations/draft-2019-20-priorities-budget>.

The learnings from the consultation on the priorities and budget have been incorporated into FSRA's 2019-22 Business Plan, which was submitted to the Ministry of Finance on February 28, 2019. When approved, the Business Plan will be posted on the FSRA website.

FSRA is committed to dialogue, consultation and transparency. This document summarizes the feedback received and FSRA's response to that input.



# FSRA 2019-20 Priorities and Budget: Summary of Consultation Feedback by Sector

Credit Union

P&C Incl. Auto

Life and Health

HSP

Mortgage Brokering

Pension

Misc.

Stakeholder	Comment	Response
Desjardins (Credit union only)	<ul style="list-style-type: none"> <li>Support four regulatory priorities identified for the credit union sector.</li> </ul> <p><i>5.3 Sector Budgets</i></p> <ul style="list-style-type: none"> <li>Concerned about sharp 6.6% increase from the previous combined FSCO and DICO fee level – recommend annual fee cap of 3% be considered</li> </ul> <p><i>7.1.1 Burden Reduction: Review Inherited Guidance</i></p> <ul style="list-style-type: none"> <li>OSFI framework may be interesting to consider when determining approach to regulatory supervision in a principles-based framework</li> </ul> <p><i>7.1.3 Regulatory Effectiveness: Establish Meaningful Service Standards</i></p> <ul style="list-style-type: none"> <li>Develop consumer-centric outcome targets including measures related to product availability, affordability, satisfaction and innovation. Continuously benchmark against leading regulators from a cost and performance perspective</li> </ul> <p><i>7.2.2 Regulatory Effectiveness: Sectoral Expertise</i></p> <ul style="list-style-type: none"> <li>Consider secondment opportunities within regulated sectors</li> </ul>	<ul style="list-style-type: none"> <li>The increase is due to direct cost increases of regulating the credit union sector of \$0.8M. These increased costs in adding credit union dedicated expertise to support the sector are crucial to deliver on credit union sector priorities.</li> <li>A fee cap is not appropriate for a new regulatory body</li> <li>FSRA will add statement to 7.1.1 that development of FSRA’s regulatory model will be informed by other principles-based regulatory models, including OSFI and AMF</li> <li>FSRA will work with stakeholders to develop and implement service standards that measure our effectiveness in meeting objectives and the needs of our stakeholders. These are expected to include outcome, cost and performance measures, including those aimed at assessing consumer impacts</li> <li>FSRA is committed to retaining, recruiting and training staff to achieve appropriate sectoral expertise; secondments will be considered but conflict issues may be difficult to address</li> </ul>

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	<p><i>8.2.3 Adopt Industry Code of Conduct</i></p> <ul style="list-style-type: none"> <li>Conduct code should be implemented following harmonization with similar codes in other jurisdictions and gaining support and contributions of all Ontario credit unions</li> </ul>	<ul style="list-style-type: none"> <li>As noted in 8.2.3, FSRA will review the national code of conduct proposed by industry, and after discussions with industry, consider how to use it as part of the FSRA supervisory framework and discuss harmonization with other credit union regulators. It is possible that harmonization with other jurisdictions would require additional time to achieve</li> </ul>
<p>Kawartha Credit Union</p>	<ul style="list-style-type: none"> <li>Expressed support for priorities</li> </ul> <p><i>7.1.1 Burden Reduction: Review Inherited Guidance</i></p> <ul style="list-style-type: none"> <li>Recommend setting a metric and measurable target for overall guidance reduction. Note that any change, even removal of guidance has a short term cost to regulated sectors</li> </ul> <p><i>7.1.2 Burden Reduction: Review Data Collection and Filing Requirements</i></p> <ul style="list-style-type: none"> <li>Make sector data available to credit unions at a granular basis and consider harmonizing collection with other regulators (e.g., CMHC). Consider sharing information about consumer perspectives and priorities with the regulated sectors and report consumer complaints by sector</li> </ul> <p><i>7.2.5 Regulatory Effectiveness: Modernize Systems and Processes</i></p> <ul style="list-style-type: none"> <li>Be transparent about controls on costs related to systems investments. Provide transparency on budget expectations for the next five years – are stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will consult with MOF, stakeholders and other regulators to identify priority areas for review of guidance and develop a plan for guidance review and restatement following those discussions. Measurable targets could be identified through that initial review</li> <li>FSRA will review the current data and filing requirements to identify ways to streamline data reporting requirements to reduce the burden on regulated sectors. As well, FSRA will consult industry on desired information and analytics with a view to providing more useful information to stakeholders, including complaints and consumer perspectives. These suggestions will input into that analysis</li> <li>FSRA plans to consult stakeholders on an annual basis on its priorities and budget. Since FSRA is a new agency, we are not yet in a position to provide a 5 year forecast. The</li> </ul>

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	<p>going to be paying more? Credit union sector costs are disproportionate to the size of the sector</p> <p><i>8.2.4 Ensure Appropriate Resolution and DIRF Framework</i></p> <ul style="list-style-type: none"> <li>Balance risk and liquidity with obtaining a reasonable return on the DIRF</li> </ul>	<p>costs for the sector reflect the costs of regulating that sector, rather than the size of the sector</p> <ul style="list-style-type: none"> <li>The DIRF will be overseen by a Board committee. FSRA will add a statement to this priority that this work is expected to include an assessment of liquidity needs and investment strategies</li> </ul>
<p>Insurance Brokers Association of Ontario (Credit Union only)</p>	<p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>Confirmed association's agreement on FSRA operational strategy and documented priorities</li> <li>Offer to de-brief FSRA on activities related to Bank Act restricting financial institutions from selling insurance</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will follow up on the issue of the sale of insurance by financial institutions where further information is required</li> </ul>

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Desjardins (P&C Only)	<ul style="list-style-type: none"> <li>Proposed budget and priorities appear to be logical and strategic; believe overall priorities of burden reduction and regulatory effectiveness are appropriate</li> </ul> <p><i>7.1.1 Burden Reduction: Review Inherited Guidance</i></p> <ul style="list-style-type: none"> <li>OSFI framework may be interesting to consider when determining approach to regulatory supervision in a principles-based framework</li> </ul> <p><i>7.2.2 Regulatory Effectiveness: Sectoral Expertise</i></p> <ul style="list-style-type: none"> <li>Consider secondment opportunities within regulated sectors</li> </ul> <p><i>7.1.3 Regulatory Effectiveness: Establish Meaningful Service Standards</i></p> <ul style="list-style-type: none"> <li>Develop consumer-centric outcome targets including measures related to product availability, affordability, satisfaction and innovation. Continuously benchmark against leading regulators from a cost and performance perspective</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>Standard treatment programs will lead to better health outcomes and reduce health service provider oversight effort required by FSRA</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will add a statement to 7.1.1 that development of FSRA's regulatory model will be informed other principles-based regulatory models, including OSFI and AMF</li> <li>FSRA is committed to retaining, recruiting and training staff to achieve appropriate sectoral expertise; secondments will be considered but conflict issues may be difficult to address</li> <li>FSRA will work with stakeholders to develop and implement service standards that measure our effectiveness in meeting objectives and the needs of our stakeholders. These are expected to include outcome, cost and performance measures, including those aimed at assessing consumer impacts</li> <li>As part of its work supporting government's auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> </ul>

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Facility Association	<p><i>8.1.1 Auto Insurance: Streamline Rate Regulation Process</i></p> <ul style="list-style-type: none"> <li>Regulator should allow a much greater degree of pricing flexibility for automobile insurers</li> <li>Review of rate regulation process should start with why rate regulation is required</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will seek to establish rate regulation principles with insight from a rate regulation advisory group</li> <li>FSRA is taking early action focused on streamlining existing rate regulation processes but consider opportunities to apply rate regulation principles in a more comprehensive way in the future</li> </ul>
Insurance Brokers Association of Ontario (P&C only)	<ul style="list-style-type: none"> <li>Agree with stated operational strategy and priorities</li> </ul> <p><i>8.3.1 Insurance Conduct: Adopt Effective Conduct Standards</i></p> <ul style="list-style-type: none"> <li>Opportunity to leverage RIBO practices in work related to insurance conduct</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will engage with stakeholders and other regulators, including RIBO, to better understand positions and opportunities for consensus as part of its pre-launch work on this priority</li> <li>FSRA will ensure RIBO is explicitly referenced as a partner in this work in its Annual Business Plan</li> </ul>

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<p>Intact Financial Corporation</p>	<p><i>5.3 Sector Budgets</i></p> <ul style="list-style-type: none"> <li>• Question the merit of decreasing HSP sector's compliance costs by 33% while increasing insurance sector's costs by 6.4%, particularly in context of FSCO finding low compliance among HSPs</li> </ul> <p><i>7.2.3 Regulatory Effectiveness: Enable Innovation</i></p> <ul style="list-style-type: none"> <li>• Regulatory sandboxes have been effective tool for fostering innovation in other jurisdictions</li> <li>• Approach to innovation should ensure level playing field and no unfair subsidization of new entrants</li> </ul>	<ul style="list-style-type: none"> <li>• The HSP sector, and all sectors, were assessed relative to the actual cost incurred. Licensees will pay FSCO at the end of 2018/19 for costs related to 2019/20 at the same time as they complete their Annual Information Return. As a result, FSRA will not be directly receiving these fees prior to launch but will receive its pro rata share from FSCO – adjusting those fees already collected is impractical. The HSP sector budget was in excess of the actual spend in the previous year. As part of the HSP review outlined in FSRA's priorities for 2019/20, requisite resources and costs will be evaluated</li> <li>• Significant concern with the value of current HSP activities requires a comprehensive review to ensure FSRA's oversight reduces burden and achieves effective regulation of the sector</li> <li>• FSRA will be consulting with stakeholders on additional tools and resources required to support innovation as part of its pre-launch work on this priority</li> <li>• As part of its work to foster a strong, sustainable, competitive and innovative auto insurance sector, FSRA has a strong interest in identifying and removing barriers to innovation in the Ontario auto insurance system</li> <li>• This particular recommendation will be shared with FSRA's Office of Innovation once it is launched</li> </ul>

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	<p><i>8.1.1 Auto Insurance: Streamline Rate Regulation Process</i></p> <ul style="list-style-type: none"> <li>• Best means for reducing regulatory burden is through adoption of a “use and file” rate regulation system</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Recommend renewed focus on specific parts of auto insurance system, including:               <ul style="list-style-type: none"> <li>○ Identifying and addressing inflationary pressure points;</li> <li>○ Reducing transactional costs;</li> <li>○ Harmonizing health care costs across different systems (e.g. life and health, auto, OHIP);</li> <li>○ Limiting awards for contingency [sic] and disbursement; and</li> <li>○ Increasing transparency of legal fees.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• FSRA is committed to being an efficient and effective regulator and welcomes all suggestions on how to minimize red tape burdens to our regulated community. This includes working with the Ministry of Finance to modernize the auto insurance rate regulation framework including the evaluation of a range of different approaches associated with rate filing</li> <li>• As part of its work supporting government’s auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> </ul>
<p>Aviva Canada</p>	<ul style="list-style-type: none"> <li>• In agreement with proposed priorities</li> </ul>	

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	<p><i>7.2.3 Regulatory Effectiveness: Enable Innovation</i></p> <ul style="list-style-type: none"> <li>Encourage FSRA to move forward with a regulatory sandbox</li> </ul> <p><i>8.1.1 Auto Insurance: Streamline Rate Regulation Process</i></p> <ul style="list-style-type: none"> <li>Will provide FSRA with list of recommendations for rate regulation and three year plan to get to “use and file”</li> </ul> <p><i>8.1.3 Auto Insurance: Review Health Service Provider Regulation</i></p> <ul style="list-style-type: none"> <li>Believe regulation of health service providers is required</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will be consulting with stakeholders on additional tools and resources required to support innovation as part of its pre-launch work on this priority</li> <li>As part of its work to foster a strong, sustainable, competitive and innovative auto insurance sector, FSRA has a strong interest in identifying and removing barriers to innovation in the Ontario auto insurance system</li> <li>This particular recommendation will be shared with FSRA’s Office of Innovation once it is launched</li> <li>FSRA is committed to being an efficient and effective regulator and welcomes all suggestions on how to minimize red tape burdens to our regulated community. This includes working with the Ministry of Finance to modernize the auto insurance rate regulation framework including the evaluation of a range of different approaches associated with rate filing</li> <li>Significant concern with the value of current HSP activities requires a comprehensive review to ensure FSRA’s oversight reduces burden and achieves effective regulation of the sector</li> </ul>

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	<p><i>8.1.4 Auto Insurance: Develop Fraud Reduction Strategy</i></p> <ul style="list-style-type: none"> <li>• Interested in anti-fraud work to define “insurance fraud”; enable measurement of fraud; remove regulatory barriers to pooling data; and explore additional penalties for fraud</li> </ul> <p><i>8.3.1 Insurance Conduct: Adopt Effective Conduct Standards</i></p> <ul style="list-style-type: none"> <li>• Do not believe FSRA needs to focus on reviewing market conduct standards – instead, encourage FSRA to focus on implementation of harmonized treating consumers fairly guidance</li> </ul>	<ul style="list-style-type: none"> <li>• FSRA will bring together stakeholders to drive the development of an improved anti-fraud strategy related to auto insurance as part of its work on this priority</li> <li>• FSRA welcomes specific recommendations that can help deter deceptive or fraudulent conduct, practices and activities</li> <li>• FSRA will engage with stakeholders and other regulators to better understand positions and opportunities for consensus as part of its pre-launch work on this priority</li> <li>• FSRA wants to determine harmonized conduct expectations so that there is clarity about how guidance and requirements will be interpreted and applied in day-to-day business, including treating consumers fairly</li> </ul>
<p style="text-align: center;">CANATICS</p>	<p><i>8.1.3 Auto Insurance: Review Health Service Provider Regulation</i></p> <ul style="list-style-type: none"> <li>• Disagree with assertion that there is “already supervision” by health regulatory colleges</li> <li>• Does not support eliminating the current health service provider regulation model without a clear alternative strategy to address clinic billing fraud</li> </ul>	<ul style="list-style-type: none"> <li>• Significant concern with the value of current HSP activities requires a comprehensive review to ensure FSRA’s oversight reduces burden and achieves effective regulation of the sector</li> <li>• As part of its review of HSP regulation FSRA will emphasize a number of matters, including how HSPs should be regulated by FSRA or another entity, how regulatory activities benefit the auto insurance system, and what FSRA and other regulators can do to support insurers</li> <li>• FSRA will clarify language about the current state of HSP regulation in its Annual Business Plan</li> </ul>



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CADRI	<ul style="list-style-type: none"> <li>Support proposed budget and priorities</li> </ul> <p><i>7.1.2 Burden Reduction: Review Data Collection and Filing Requirements</i></p> <ul style="list-style-type: none"> <li>Not convinced Annual Statement on Market Conduct is collecting information that is vitally useful to regulators</li> </ul> <p><i>8.1.2 Auto Insurance: Support Auto Reform Strategy</i></p> <ul style="list-style-type: none"> <li>Support an auto reform strategy that results in more choice, competition and product availability for consumers</li> </ul> <p><i>8.3.2: Improve Licensing Effectiveness and Efficiency</i></p> <ul style="list-style-type: none"> <li>Launch of FSRA creates opportunity to streamline the process for regulating licensed insurance agents</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will consult with stakeholders on data/filing principles as part of its pre-launch work on this priority</li> <li>As part of its work supporting government's auto insurance review FSRA will share specific recommendations with MOF and follow up where further information is required</li> <li>FSRA will focus on streamlining licensing approvals and improving the service levels being provided in 2019/20</li> </ul>
Tim Hyde	<p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>Effective enforcement in the public interest is the core source of legitimacy for any regulator</li> <li>Protecting the public interest is difficult given "current state" of consumer advocacy in Canada</li> <li>FSRA should be focused on fostering a strong financial services sector through effective enforcement in the public interest</li> <li>Concerned with infrequent mentions of "enforcement" (three) and "effective enforcement" (one) in the document</li> </ul>	<ul style="list-style-type: none"> <li>Promoting high standards of business conduct and protecting the rights and interests of consumers are two of FSRA's legislative objects related to the financial services sector; effective enforcement will be part of FSRA's work to fulfill those objects</li> </ul>

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<p>FAIR Association of Victims for Accident Insurance Reform</p>	<p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Need more information on where premium dollars are going – believe that there is substantial profit in auto insurance and most problems have been created by “greed and incompetent claims handling”</li> <li>• Concerned with better hourly rates available to health service providers in other systems; becoming an access to treatments issue felt in rural areas</li> <li>• FSRA should seek LAT and court system data to monitor issues in the system</li> <li>• FSRA should not blindly accept insurance industry views on the cost of fraud</li> <li>• Insurer conduct is a huge problem for consumers and the system needs more disincentives and higher standards, particularly for insurance adjusters</li> </ul>	<ul style="list-style-type: none"> <li>• Part of FSRA’s review of current data and filing requirements will involve looking for ways to enhance industry benchmarks and analytics – input on information related to industry profit, fraud disputes in the courts and at the LAT will be taken into consideration during this process</li> <li>• As part of its work supporting government’s auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> </ul>
<p>Jokelee Vanderkop</p>	<p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Too many insurance claimants have to fight insurers for what their policy says they are entitled to, and insurers use independent medical examinations to wrongfully deny claims</li> <li>• Individual claimants are hurt by fraud claims when most fraud is perpetrated by organized crime groups</li> </ul>	<ul style="list-style-type: none"> <li>• As part of its work supporting government’s auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> <li>• FSRA is prioritizing the development of a fraud and abuse reduction strategy to enhance public confidence and contain costs</li> </ul>

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<p>Canadian Life and Health Insurance Association</p>	<ul style="list-style-type: none"> <li>Support budget, priorities and note</li> <li>CLHIA, life and health insurance industry availability to assist with guidance review</li> <li>FSRA should consider if Annual Statement on Market Conduct to CCIR provides sufficient information</li> </ul> <p><i>7.2.4 Regulatory Effectiveness: Enhancing Stakeholder Collaboration</i></p> <ul style="list-style-type: none"> <li>Dedicated life and health insurance industry advisory committee to provide input to Board and management</li> <li>Add life and health expertise to FSRA's leadership team and Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>FSRA appreciates support and comments from CLHIA which will be considered as priorities are implemented</li> <li>FSRA is assessing the most effective and efficient means by which to elicit input from its regulated sectors and will include suggestion for a dedicated life &amp; health insurance advisory committee - these recommendations will be reviewed and considered by the FSRA Board following input from management.</li> <li>The need and scope for specific sector expertise at the Board level will be considered, and if appropriate, recommended to the government. The need at the management level will continue to be reviewed and assessed by the CEO as FSRA moves toward launch.</li> </ul>
<p>Investment Industry Association of Canada</p>	<p><i>8.3.2 Insurance Conduct: Improve Licensing Effectiveness and Efficiency</i></p> <ul style="list-style-type: none"> <li>Significant investment in information technology required including the licensing process</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>Using a principles-based approach will require appropriate audit practices done on an outcomes basis</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will consult with stakeholders to identify required improvements in licensing systems as part of its work on this priority</li> <li>FSRA acknowledges that a principles-based approach requires mechanisms for effective oversight and will consider assessment techniques (including audit) to assess whether outcomes are achieved</li> </ul>

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	<ul style="list-style-type: none"> <li>FSRA should coordinate with other regulators and SROs including information sharing between platforms (e.g., for IIROC) and potentially shared audits</li> <li>Any new rules should be subject to a regulatory impact assessment which includes the need for the rule, possible options, means of measuring success and a cost/benefit assessment</li> </ul> <p><i>7.2.1 Regulatory Effectiveness: Protecting the Public Interest</i></p> <ul style="list-style-type: none"> <li>Consumer Office should be established as a separate entity and not part of the Policy function – otherwise no difference from FSCO</li> </ul>	<ul style="list-style-type: none"> <li>FSRA will consider opportunities for coordination with other regulators as it consults with stakeholders on key regulatory processes and information systems</li> <li>FSRA Act requires cost/benefit assessment of any proposed rule, stakeholder consultation and Ministerial review</li> <li>FSRA is committed to protecting the rights and interests of consumers and protecting and safeguarding the pension benefits and rights of pension plan beneficiaries. The Consumer Office function does not exist at FSCO, and embedding the function in FSRA's Policy function will provide an enterprise-wide "consumer lens" so that FSRA strategies, policies and supervisory practices incorporate effective ways to protect, support and inform the public</li> </ul>
Ernie Dellostritto	<p><i>8.3.2 Insurance Conduct: Improve Licensing Effectiveness and Efficiency</i></p> <ul style="list-style-type: none"> <li>Incidental Sales of Insurance (ISI), including Creditors Group Insurance is exempt from licensing requirements with inadequate oversight and regulation resulting in inadequate disclosure to consumers, conflicts of interest, false advertising (automatic enrolment but not coverage – post claim underwriting)</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>Consultation process should have been publicized more to the general public</li> </ul>	<ul style="list-style-type: none"> <li>Consultation will be a key part of FSRA's activities in support of its priorities, including in FSRA's work to identify required improvements to licensing systems</li> <li>FSRA will discuss with MOF whether it wishes to consider legislative changes to expand FSRA's licensing powers</li> <li>FSRA will consider new and more meaningful ways to engage with the general public through existing channels (e.g. online) and will explore new opportunities to engage</li> </ul>

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	<ul style="list-style-type: none"> <li>CLHIA and CAFII should not be allowed to take a leadership role due to conflicts of interest and divided loyalties</li> </ul>	<p>the public to bring a greater consumer perspective during consultations</p>
<p>Independent Financial Brokers of Canada</p>	<p><i>5.3 Sector Budgets</i></p> <ul style="list-style-type: none"> <li>Avoid cross subsidization of costs where possible and maintain transparent dialogue with industry, including on fee rule and costs</li> </ul> <p><i>8.3.2 Insurance Conduct: Improve Licensing Effectiveness and Efficiency</i></p> <ul style="list-style-type: none"> <li>Anyone providing financial advice and/or product recommendations to consumers should be appropriately licensed and regulated. Intermediaries should be duly licensed and subject to similar regulatory oversight</li> <li>Support licensing regime for sale of Incidental Sales of Insurance products</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>Support AMP revenue being used to support activities in regulated sector</li> </ul>	<ul style="list-style-type: none"> <li>FSRA acknowledges that the fee rule methodology is designed to avoid cross subsidization</li> <li>Consultation will be a key part of FSRA's activities in support of its budget priorities, including in FSRA's work to identify required improvements to licensing systems</li> <li>FSRA will discuss with MOF whether it wishes to consider legislative changes to expand FSRA's licensing powers</li> <li>FSRA will discuss with MOF whether it wishes to consider legislative changes to allow AMP revenue to be used for sector activities</li> </ul>

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<p>HVE Healthcare Assessments Inc. (pre-budget submission to Minister of Finance submitted to FSRA)</p>	<p><i>8.1.3 Auto Insurance: Review Health Service Provider Regulation</i></p> <ul style="list-style-type: none"> <li>• Assessment providers should be subject to specific accreditation standards, a separate class of FSCO Service Provider licensing and annual compliance audits</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Claimant non-compliance controls should be put in place for medical assessments</li> <li>• Standardization of protocols, documents and reports for medical assessments is required</li> <li>• Inconsistent fees between plaintiff and insurer assessors should be levelled</li> <li>• Neutrality of medical assessments should be paramount and controlled</li> </ul>	<ul style="list-style-type: none"> <li>• FSRA will consider this specific recommendation as part of its review of the current licensing regime for HSPs</li> <li>• As part of its work supporting government's auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> </ul>
<p>Lifemark (pre-budget submission to Minister of Finance submitted to FSRA)</p>	<p><i>8.1.3 Auto Insurance: Review Health Service Provider Regulation</i></p> <ul style="list-style-type: none"> <li>• Extend existing HSP licensing system to include credentialing and standards for assessment providers</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Standardize key elements of assessment process (questions, forms, access to supporting documents) to reduce disputes</li> <li>• Develop evidence-based treatment guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• FSRA will consider this specific recommendation as part of its review of the current licensing regime for HSPs</li> <li>• As part of its work supporting government's auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> </ul>

# FSRA 2019-20 Priorities and Budget: Summary of Consultation Feedback by Sector

Credit Union

P&C Incl. Auto

Life and Health

HSP

Mortgage Brokering

Pension

Misc.

Stakeholder	Key Comments and Recommendations	Response
	<ul style="list-style-type: none"> <li>• Subject assessments and treatment organizations to administrative and clinical best practice reviews by FSRA</li> <li>• Create restrictions on claimant no-shows to medical assessments or treatment</li> <li>• Ensure that opinions of neutral assessments are respected</li> </ul>	
Manny Dhaliwal	<p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Greater funding is needed to treat auto insurance claimants</li> <li>• Too many claims are being denied because injuries fall within the Minor Injury Guideline</li> <li>• There is no recourse for claimants after insurance companies hire doctors to refute injuries</li> </ul>	<ul style="list-style-type: none"> <li>• As part of its work supporting government's auto insurance review FSRA will share these recommendations with MOF and follow up where further information is required</li> </ul>
AssessMed	<p><i>8.1.3 Auto Insurance: Review Health Service Provider Regulation</i></p> <ul style="list-style-type: none"> <li>• Recommend instituting an independent-run process for assessments that would include FSRA establishing a roster of qualified assessment centres</li> </ul> <p><i>Other Comments</i></p> <ul style="list-style-type: none"> <li>• Current FSRA staff appears to be heavily skewed towards a background in insurance (rather than a balance between other auto insurance stakeholders)</li> <li>• Government oversight is important to ensure FSRA does not grow in size and scope without formal expansion of mandate</li> </ul>	<ul style="list-style-type: none"> <li>• FSRA will consider this specific recommendation as part of its review of the current licensing regime for HSPs</li> <li>• FSRA's management team has not been finalized and there are staff vacancies to be filled. FSRA is emphasizing sectoral expertise and will continue to staff accordingly in its policy and core regulatory functions</li> </ul>

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<b>Stakeholder</b>	<b>Key Comments and Recommendations</b>	<b>Response</b>
	<ul style="list-style-type: none"><li>• Create a position for Superintendent of Auto Insurance as lead staff person on auto insurance issues with Fraud Division; Standards and Auditing Branch; Medical Advisory Committee; and Legal Department supporting the Superintendent</li></ul>	<ul style="list-style-type: none"><li>• FSRA's executive structure has been finalized.</li></ul>

## Priorities and Budget: Submission Summary by Sector

Credit Union

P&C Incl. Auto

Life and Health

HSP

**Mortgage Brokering**

Pension

No submissions received.

# FSRA 2019-20 Priorities and Budget: Summary of Consultation Feedback by Sector

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Misc.

Stakeholder	Comment	Response
Ontario Teachers' Pension Plan	<ul style="list-style-type: none"> <li>Support priorities, budget including increase in staff costs</li> </ul> <p><i>7.2.4 Regulatory Effectiveness: Enhancing Stakeholder Collaboration</i></p> <ul style="list-style-type: none"> <li>Welcome increased collaboration between FSRA and MOF and encourage these discussions to involve pension plan administrators to ensure barriers are appropriately identified and addressed and to identify legislative changes that could reorient the PBA to better support a principles-based approach</li> </ul>	<ul style="list-style-type: none"> <li>FSRA recognizes the value of collaboration with pension stakeholders and MOF and will look for opportunities to facilitate discussion with these groups</li> </ul>
OMERS	<ul style="list-style-type: none"> <li>Support priorities and encourage FSRA to:                             <ul style="list-style-type: none"> <li>Implement proposed relationship model for larger plans/JSPPs</li> <li>Ensure that FSRA rule-making in the pension sector is supported by pension experts</li> <li>Include pension specific expertise in the proposed Innovation Office</li> <li>Engage those in the pension sector to help identify legal and regulatory barriers to innovation and develop and promote ways to adapt the regulatory regime to foster innovation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Implementing a relationship model for large/JSPP plans is a FSRA priority, outlined in 8.5.1 Pension: Support Plan Evolution</li> <li>FSRA is committed to retaining and recruiting staff with sectoral expertise as well as effective collaboration with stakeholders. This is highlighted in 7.2.2 Regulatory Effectiveness: Sectoral Expertise and 7.2.4 Regulatory Effectiveness: Enhancing Stakeholder Collaboration.</li> <li>It is expected that the pension area will provide substantive pension expertise to the organization (including identifying barriers to innovation) and that the policy function and innovation office will be the process owners (with less intense pension expertise)</li> </ul>

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Misc.

Stakeholder	Comment	Response
	<ul style="list-style-type: none"> <li>Continue proactive and collaborative approach with the pension sector</li> <li>Institute proposed increase of five senior staff positions for the sector and continue to look for opportunities to build pension expertise in the organization</li> </ul> <p><i>7 Burden Reduction</i></p> <ul style="list-style-type: none"> <li>Establish balanced and principles-based approach for the pension sector that reflects FSRA's statutory objectives to promote good administration of pension plans and protect and safeguard the pension benefits and rights of pension plan beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>In its approach to burden reduction, FSRA will articulate and seek input on guiding principles to guide the approach. With respect to 8.5.1, Support Plan Evolution, FSRA will develop and solicit feedback on the principles that will guide changes to the process and structures to enable increased plan flexibility</li> </ul>
<p>Healthcare of Ontario Pension Plan</p>	<ul style="list-style-type: none"> <li>Support priorities</li> </ul> <p><i>5.3 Sector Budgets</i></p> <ul style="list-style-type: none"> <li>Concerned about disproportionate impact of fee model on large Ontario plans and members</li> </ul> <p><i>7.2.1: Regulatory Effectiveness: Protecting the Public Interest</i></p>	<ul style="list-style-type: none"> <li>Regarding your comments on the fee rule, removal of the maximum assessment (i.e., cap) ensures that the pension sector fee assessments appropriately reflect the best estimate of the cost of regulating these plans. Please see page 27 of the Summary of Comments Received and FSRA Responses which forms Appendix B to the Notice and Request for Further Comment on the Proposed FSRA Rule 2019-001 Assessments and Fees at <a href="https://www.fsrao.ca/assets/consultations/FSRA_Rule_2019-001_EN_20190204.pdf">https://www.fsrao.ca/assets/consultations/FSRA_Rule_2019-001_EN_20190204.pdf</a></li> </ul>

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Misc.

Stakeholder	Comment	Response
	<ul style="list-style-type: none"> <li>• Balance the objective of member protection with the promotion of the security, growth and sustainability of the pension system in Ontario. Pursue opportunities to prevent the further decline of sustainable defined benefit plans; influence the expansion of pension plan coverage in Ontario and advance Ontario plans' internationally-recognized best practices in governance, administration and risk management</li> <li>• Support or lead initiatives to encourage financial literacy and best practices for members. Focus on updating policies and standards re member disclosure (e.g., annual/biennial statements) in a plain language style allowing non-traditional delivery and formats.</li> <li>• Improve asset transfer process through discretion and member-focused service standards and disclosure requirements</li> </ul> <p><i>7.2.3: Regulatory Effectiveness: Enable Innovation</i></p> <ul style="list-style-type: none"> <li>• Reduce or eliminate barriers to conducting all pension transactions online</li> </ul>	<ul style="list-style-type: none"> <li>• FSRA to add reference in 7.2.1 to importance of balancing member protection while ensuring the financial sustainability, viability and growth of the pension sector and recognizing that the nature and type of plan may require a differentiated approach.</li> <li>• For the pension sector, FSRA will move towards enabling members to make well-informed decisions (meaning, moving away from checklist compliance in member disclosures and option statements towards plain language, understandable and practical communications)</li> <li>• Pension Priority 8.5.1: Support Plan Evolution reflects FSRA's focus on supporting the asset transfer process</li> <li>• As noted in 7.1.1, FSRA will seek to use cost-benefit analysis to evaluate whether guidance is necessary or could be improved, enhanced (e.g., streamlined), or eliminated, consulting with industry to prioritize for greatest impact. Where legislative changes are recommended or required, they would be considered by MOF</li> </ul>

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Stakeholder	Comment	Response
	<p><i>7.2.4: Regulatory Effectiveness: Enhancing Stakeholder Collaboration</i></p> <ul style="list-style-type: none"> <li>• Balance Ontario-specific solutions and results which achieve greater consistency across jurisdictions in Canada to reduce burdens for multi-jurisdictional plan sponsors and administrators</li> </ul>	<ul style="list-style-type: none"> <li>• In establishing consultation / industry groups for the pension sector, and in its attempts to collaborate and harmonize with other regulators, FSRA will solicit feedback to ensure that the new formation acknowledges the diverse needs of different plan types and member categories to support a principles-based approach and a more flexible approach to policy interpretation, guidance, Rule-Making and regulations</li> </ul>

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Stakeholder	Comment	Response
<p style="text-align: center;">Lawrence D'Souza (FSCO Employee)</p>	<ul style="list-style-type: none"> <li>Provide a "Statement of Changes in Surplus (Deficit)" that would detail how FSRA arrived at accumulated deficit of \$19.256 million.</li> <li>Provide a set of financial statements for the period July 1, 2019 to March 31, 2020.</li> <li>Note how costs incurred by FSCO and FSRA during the stub period April 1, 2019 to June 30, 2019 will be recovered to help the industry in their planning and budgeting.</li> </ul>	<ul style="list-style-type: none"> <li>[Note: Response below was provided directly via email to Lawrence D'Souza (i.e. not public) on February 15. It will be provided in the public response to stakeholder input.]</li> <li>The focus of the Proposed FY 2019-20 FSRA Priorities and Budget document is to outline FSRA budget for 2019-20. The sectors are aware that start-up costs need to be recovered over a period of time. Page 6 of the Proposed FY 2019-20 FSRA Priorities and Budget document outlines FSRA's recovery plans related to its start-up costs.</li> <li>The Proposed FY 2019-20 FSRA Priorities and Budget document indicates that FSRA is planning on a spring launch and that the stakeholder feedback will inform the Annual Business Plan that will be submitted to the Minister of Finance for approval. The Annual Business Plan will reflect the financial operational plan from launch date to March 31, 2020.</li> <li>Once FSRA has confirmed its launch date, appropriate communication to the sectors will occur so that they are fully aware of how and what costs are to be recovered during the stub period.</li> </ul>