

**Submission Regarding
Financial Services Regulatory Authority of Ontario
Proposed Rule 2024 – 003
Automobile Insurance – Fraud Reporting Service**

October 11, 2024

Submitted via portal:

<https://www.fsrao.ca/engagement-and-consultations/consultation-proposed-fraud-reporting-service-rule-and-guidance>

Emailed to:

FSRA

- Chris Georgakopoulos, Director of Auto Policy, FSRA

Ministry of Finance

- Francisco Chinchon, Assistant Deputy Minister, Financial Services Policy Division
- Taylor Putnam, Director of Budget & Strategic Initiatives
- Corey Naimark, Manager, Property & Casualty Insurance Policy

The Ontario Rehab Alliance is pleased to have this opportunity to comment on the proposed Fraud Reporting Service.

We commend FSRA on this initiative designed in part to develop useful data on fraud in the auto insurance sector.

This is much-needed and long overdue.

The establishment of FSRA's Health Service Provider (HSP) licensing regime in 2014 was predicated on the belief arising from insurers' claims that there was widespread fraud perpetrated by HSPs in this sector, and that this was a significant contributor to the increasing costs of auto insurance faced by unhappy consumers. Various dollar costs of fraud were reported and repeated but data was not provided to back up these values.

In our submissions at the time to the government's Fraud Task Force, charged with looking at and resolving these issues, our requests for hard data were a cornerstone along with our support for measures to locate and eliminate bad actors in the sector. Hoping to protect accident benefits from further erosion led to our cautiously optimistic support for HSP licensing.



Ontario Rehab Alliance

The intervening decade has shown that our optimism was misguided. Accident benefits have been further eroded through legislative and regulatory change and through arbitrary insurer denials and claims adjudication policies and practices. Insurance premiums have continued to increase. HSPs are dealing with the additional time and money costs of FSRA licensing without any evidence that this regime is mitigating fraud, nor any data on the levels of fraud.

It is our understanding that the proposed reporting mechanism will feature a definition of suspected fraud that incorporates the expectation/requirement that the reporting insurer will have taken action on suspected fraudulent incidents and that one of these actions is to have denied a claim.

The ORA's members have seen increasing rates of denial over the past several years; many of these are rate-based denials, or denials based on arbitrary insurer decisions about how long a treatment visit should take, or a reluctance to pay for legitimate aspects of treatment (eg. sourcing appropriate equipment, case conferencing, travel time).

We ask that much care be taken as this rule is further developed to support implementation to ensure that such denials will not be cited by reporting insurers as indicators of having taken action on fraud. If that should happen it would seriously compromise the integrity of the resulting data.

With thanks for this opportunity to comment on an important initiative.

Sincerely,

Laurie Davis
Executive Director
The Ontario Rehab Alliance
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ABOUT ORA

The ORA represents primarily small to medium sized healthcare businesses that collectively employ upwards of 4000 healthcare providers including Regulated Health Professionals from all disciplines, social workers, personal support and rehabilitation support workers. We are the primary providers of rehabilitation to Ontarians seriously injured in automobile accidents. Most of our members work throughout the healthcare system, giving us a wide-angle view. We are the only association focused primarily on the interests and issues of health providers in the auto sector.

Our member companies operate in home, community and clinic settings. As health professionals we have a strong duty of care to our clients, as business owners we have a responsibility to keep the business viable for ourselves, our staff, and the clients who depend on us.

On behalf of its members, the ORA advocates for motor vehicle accident victims, adequate insurance benefits, and fair treatment of those injured. We help members to navigate the claims system with timely information bulletins on new requirements and issues, and with resources to support daily operations.

**Please connect with Laurie Davis,
Executive Director, for more information
regarding our advocacy campaigns and
the Ontario Rehab Alliance.**

Contact

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