



IBC·BAC
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Financial Services Regulatory Authority of Ontario
Auto Insurance Sector
25 Sheppard Avenue West, Suite 100
Toronto, ON M2N 6S6

Re: Proposed Fiscal Year Statement of Priorities 2026 - 2027

On behalf of the Insurance Bureau of Canada (IBC), please find below written comments on FSRA's Proposed Fiscal Year Statement of Priorities 2026–2027 (Statement of Priorities). We appreciate FSRA's continued efforts to modernize its regulatory framework and strengthen consumer protection across Ontario's property & casualty insurance sector. Our recommendations on key areas of importance to the P&C insurance industry are outlined below.

Strengthen Fraud Reduction Tools and Capabilities

IBC continues to support FSRA's commitment to advancing a comprehensive approach to fraud reduction. The current fraud in the auto insurance system ultimately contributes to elevated premiums for all drivers. However, we note that the current Fraud Reporting Service (FRS) does not yet provide insurers with the real-time tools required to effectively detect and prevent fraud. Fraud continues to escalate in scale and sophistication, and insurers require timely, actionable support to protect consumers and maintain system integrity.

To that end, we recommend that FSRA prioritize the delivery of operational fraud-fighting tools that enable insurers to respond quickly to emerging risks. These include the ability to decline coverage for fraud risk and mid-term cancellations where there is a credible suspicion of fraud, delisting of fraudulent suppliers/vendors, and strengthening the wording in insurance applications around the consequences of fraud. These tools are essential to ensuring that fraud mitigation efforts keep pace with the evolving threat landscape.

IBC encourages FSRA to accelerate the implementation of these capabilities and to clearly articulate how the next phase of its fraud strategy will support real-time detection, information sharing, and coordinated enforcement.

Proportional and Evidence-Based Approach to Regulatory Burden

IBC appreciates FSRA's ongoing work to modernize its regulatory systems and processes. However, insurers continue to experience increasing regulatory burden through new supervisory expectations, thematic reviews, and data requests that often lack clear cost-benefit justification. These requirements place pressure on operational resources and ultimately affect affordability for consumers.



We encourage FSRA to adopt a more explicit proportionality lens when designing and implementing regulatory initiatives. This includes ensuring that compliance expectations are aligned with demonstrable consumer benefit and that new supervisory activities are supported by clear evidence of a problem that needs to be solved. A more disciplined approach to regulatory burden will help maintain a competitive and sustainable insurance market in Ontario. To support this, we recommend that FSRA:

- Conduct cost-benefit analyses prior to launching new supervisory activities;
- Clearly articulate how modernization initiatives will reduce regulatory burden and improve predictability; and
- Ensure that compliance expectations are proportionate to the risks being addressed.

Advance Licensing and Labour Mobility

IBC supports FSRA's goal of supporting the government in its efforts to remove trade barriers within Canada. As a part of this, FSRA's efforts to improve licensing efficiency and enhance the mobility of regulated professionals across Canada are necessary steps. Labour mobility is essential to ensuring that insurers can respond effectively to severe weather events, catastrophic losses, and other situations requiring rapid deployment of qualified professionals.

We encourage FSRA to continue working with its regulatory peers to remove barriers to adjuster mobility and to support harmonization of minimum licensing standards across provinces and territories. These efforts will reduce administrative duplication, improve regulatory clarity, and strengthen consumer outcomes.

Improve Transparency and Consultation in Regulatory Processes

IBC and its members have identified a trend toward regulatory expectations being introduced without sufficient consultation or opportunity for industry input. For example, recent changes to rating and underwriting expectations, including those introduced through the Annual Benchmarks, were implemented without adequate consultation. This approach is inconsistent with FSRA's stated commitment to proactive and collaborative partnerships.

To ensure that regulatory changes are evidence-based, operationally feasible, and aligned with consumer interests, we recommend that FSRA:

- Engage in early and transparent consultation before setting new expectations;
- Provide clear rationale and supporting analysis for proposed changes; and
- Avoid introducing new requirements through guidance or benchmarks without prior industry engagement.



Strengthening consultation processes will improve regulatory outcomes and reinforce confidence in FSRA's supervisory approach

Thank you again for the opportunity to comment on FSRA's Proposed Fiscal Year Statement of Priorities 2026–2027. We look forward to continued collaboration with FSRA to advance a regulatory framework that supports consumer protection, promotes competition, and enables insurers to operate effectively in a rapidly evolving environment.

Sincerely,

Amanda Dean

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