

# Submission in Response to FSRA's Proposed 2026–27 Statement of Priorities

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**Consultation:** FSRA Proposed 2026–27 Statement of Priorities

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## 1. Introduction

This submission responds to the Financial Services Regulatory Authority of Ontario's (FSRA's) proposed 2026–27 Statement of Priorities (SoP). We recognise FSRA's complex mandate across multiple financial sectors and its stated commitment to protecting consumers, enhancing market integrity, and improving system performance.

The purpose of this submission is not to criticise FSRA's intent or legitimacy, nor to allege wrongdoing or bad faith, but to assess whether the structure, framing, and accountability mechanisms of the SoP are adequate to deliver meaningful public-interest outcomes — particularly in the auto insurance sector and its interface with healthcare services.

Our central concern is that while FSRA's priorities are consistently well-intentioned and active, they are not consistently outcome-driven, closed, or evaluated. As a result, the SoP risks functioning primarily as a planning and signalling instrument rather than as a delivery and accountability instrument.

This submission therefore focuses on whether the SoP:

- Is oriented toward measurable outcomes rather than internal process.
- Includes closure mechanisms for long-standing priorities.
- Advances access to care, fairness, and trust for accident victims and system participants; and
- Allocates regulatory effort proportionately to demonstrated risk.

## 2. Structural Accountability Gaps in the Statement of Priorities

A review of FSRA's Statements of Priorities since inception reveals recurring themes, fraud reduction, regulatory modernisation, burden reduction, and auto insurance reform, reiterated year after year without formal closure, outcome reporting, or explicit resolution.

This creates three governance risks:

1. **Priority inflation:** everything remains a priority indefinitely.
2. **Accountability dilution:** no one is accountable for finishing anything.
3. **Stakeholder fatigue:** repeated consultations without resolution erode trust.

The SoP currently functions primarily as a planning document rather than as a delivery or evaluation document. Without explicit closure mechanisms, performance indicators, or outcome reporting, it is difficult for stakeholders or the public to assess whether priorities are achieving their stated purposes.

### 3. Structural Gaps in the Current Statement of Priorities

#### 3.1 Lack of Closure and Priority Drift

FSRA repeatedly lists high-level priorities — such as reducing regulatory burden, improving consumer protection, combating fraud, and supporting auto insurance reform — without formally indicating when those priorities are achieved, superseded, or abandoned.

A regulatory system that cannot clearly state “this objective is complete” or “this approach did not work” risks becoming self-referential rather than public serving. We have undertaken a structured gap analysis comparing successive Statements of Priorities against stated objectives and observable outcomes, and would be pleased to share this analysis if it would assist FSRA in strengthening closure and accountability

#### 3.2 Over-emphasis on Process vs Outcomes

The SoP places significant emphasis on:

- Modernising internal systems,
- Enhancing regulatory capabilities,
- Transitioning frameworks,
- Strengthening data and analytics.

These are valuable means, but they are not ends.

The SoP does not clearly articulate:

- How long it should take an accident victim to access care,
- Whether regulatory burden on providers is rising or falling,
- Whether disputes, delays, or denials are decreasing,
- Whether trust in the system is improving.

Without outcome framing, regulatory success becomes internally defined rather than publicly accountable.

### **3.3 Fraud Narrative Without Outcome Evidence**

Fraud reduction remains a consistent priority, yet:

- No public data demonstrates the presence of fraud or that fraud has materially declined.
- No link is established between fraud initiatives and affordability improvements.
- No proportionality assessment is presented.

Meanwhile, regulatory intensity remains high for healthcare professionals despite extremely low rates of serious misconduct identified through audits. This risks over-regulation of low-risk actors, misallocation of regulatory resources, unintentional stigmatisation of legitimate professionals, and erosion of trust.

### **3.4 Absence of Access-to-Care Metrics**

Access to timely care is one of the most important public-interest outcomes in auto insurance.

Yet the SoP does not include priorities or metrics related to:

- Time to first treatment,
- OCF-18 denial rates
- Availability of providers,
- Geographic access,
- Administrative friction delaying care.

This omission is significant because regulatory design directly affects system capacity and access.

### **3.5 Misalignment Between Stated Collaboration Commitments and Practice**

The Statement of Priorities commits FSRA to “promote proactive and collaborative partnerships” and to “cultivate relationships with key stakeholders and allow for collaborative problem-solving,” particularly with respect to strengthening trust and regulatory credibility.

However, recent practice with respect to healthcare professionals — who are both licensed and essential system participants — appears misaligned with this stated commitment.

The Health Service Provider Advisory Committee, which served as a formal engagement mechanism for licensed healthcare professionals, has been disbanded. Over the course of its existence, healthcare representation on the committee declined while insurance representation

increased, reducing its effectiveness as a balanced forum for stakeholder input. At present, no replacement engagement structure exists for this licensed stakeholder group.

Similarly, during the 2024 FSRA Exchange, none of the questions submitted by healthcare professionals were addressed, including those raising concerns about market conduct, regulatory fairness, and system impacts. This absence of response undermines the stated objective of collaborative problem-solving and contributes to a perception among healthcare professionals that their perspectives are not meaningfully engaged.

In addition, FSRA has not conducted direct research with accident victims regarding their lived experience of access, delay, dispute, or care outcomes, despite these being core public-interest concerns. By contrast, surveys have been conducted among populations without direct experience of the accident benefits system, particularly regarding perceptions of fraud. This approach risks over-weighting abstract or indirect views while under-weighting the experiences of those most affected by regulatory design.

Together, these patterns suggest a gap between FSRA's stated commitment to collaboration, trust-building, and stakeholder engagement and the operational reality experienced by healthcare professionals and accident victims. This gap weakens regulatory legitimacy, reduces trust, and limits FSRA's ability to detect and respond to system harms in a timely and informed manner.

## 4. The Health Service Provider (HSP) Licensing Framework

### 4.1 The accountability gap

The Health Service Provider (HSP) licensing framework exemplifies the accountability gap described above.

Since its introduction, the framework has been the subject of sustained concern from healthcare professional organisations and stakeholders, who have questioned its necessity given existing professional college regulation and raised concerns about its cost and administrative burden.

FSRA itself identified the framework as requiring review and explicitly framed the question as one of assessing its value relative to its burden. However, no public closure, redesign, or replacement has been announced, and the framework remains in place.

FSRA's own compliance reporting indicates that:

- Most findings relate to administrative or technical non-compliance rather than any substantive misconduct.
- Issues are typically addressed through education or warning letters.
- Findings of deliberate fraud are very uncommon.

This indicates a regime that is intensive in process but limited in demonstrated outcome.

## 5. Recommendation: Remove the HSP Licensing Regime

This submission recommends removal of the HSP licensing framework in its current form, as it does not meet the standards of necessity, proportionality, or demonstrated public-interest benefit required to justify a standalone regulatory regime.

### 5.1 Not necessary

Healthcare professionals delivering accident benefits services are already subject to:

- Regulation under the Regulated Health Professions Act.
- Ethical, competency, and discipline oversight by their Colleges.
- Civil and criminal liability for fraud and misrepresentation.
- Contractual obligations and insurer oversight mechanisms.

The HSP regime therefore duplicates existing safeguards rather than filling a regulatory gap.

### 5.2 Not proportionate

The regime imposes licensing fees, audits, reporting obligations, and compliance infrastructure on thousands of clinics while producing limited enforcement actions and little evidence of harm prevented.

This fails the proportionality test of good regulation.

### 5.3 Causes net public-interest harm

The burden imposed by the regime:

- Increases the cost of delivering care,
- Diverts time away from patients,
- Discourages participation in the accident benefits system,
- Reduces access, particularly in smaller and rural communities.

The result is reduced system capacity and delayed or fragmented care for injured Ontarians.

### 5.4 Removal, not reform

Given that risks are already regulated elsewhere, the regime is administratively heavy but substantively light, and the burden produces real harm, the appropriate response is removal rather than incremental reform.

FSRA should instead rely on:

- Professional college regulation for clinical conduct.

- Targeted insurer market-conduct oversight focused on high-risk behaviour.
- Data-driven anomaly detection rather than blanket licensing.
- Proportionate enforcement tied to demonstrated risk.

## 6. Recommendations to Strengthen the Statement of Priorities

FSRA should:

1. Introduce explicit public outcome indicators for each priority (e.g., time to care, dispute resolution time, provider participation, administrative burden).
2. Classify each priority as new, ongoing, completed, superseded, or under review.
3. Commit within a defined timeline to resolve — by removal — the HSP licensing framework.
4. Rebalance narrative framing to reflect high compliance and collaboration among healthcare professionals.
5. Explicitly align priorities with human outcomes rather than internal process milestones.
6. Establish an Insurance Adjuster Code of Conduct and a Healthcare-Accessible Complaint Mechanism

Insurance adjusters exercise significant practical influence over the delivery of healthcare to accident victims, including decisions affecting approval, modification, delay, or denial of treatment. These decisions directly shape patient outcomes, recovery timelines, and access to care.

However, insurance adjusters are not subject to clinical training, professional ethical obligations, or a healthcare-oriented code of conduct. Nor is there a clear, accessible, and balanced mechanism through which healthcare professionals or patients can raise concerns about adjuster behaviour that affects care delivery.

This creates a structural accountability gap in which:

- Individuals without clinical or ethical healthcare training effectively influence clinical pathways;
- Patients are not in a realistic position to complain about their adjuster without fear of reprisal or disadvantage, nor can they readily change adjusters if concerns arise;
- Healthcare professionals, despite having direct visibility into the impacts of adjuster behaviour on care, have no formal, protected channel to raise concerns; and
- Regulatory oversight of conduct that materially affects healthcare outcomes remains underdeveloped.

This imbalance of power is inconsistent with principles of fair process, proportional accountability, and public-interest regulation.

By contrast, healthcare regulation recognises that complaints and concerns — regardless of their provenance — serve an important protective and quality-assurance function. Systems that take

concerns seriously, even when they are uncomfortable, are more likely to identify risks early, correct harmful practices, and maintain public trust.

Accordingly, this submission recommends that FSRA:

- Establish a formal Code of Conduct for insurance adjusters whose decisions affect access to healthcare, including principles of fairness, transparency, proportionality, and respect for clinical autonomy; and
- Create a safe, accessible, and non-retaliatory mechanism through which healthcare professionals and patients can raise concerns about adjuster conduct that affects care delivery, with appropriate procedural protections and independent review.

Such a framework would not weaken regulatory oversight — it would rebalance it. It would enhance fairness, improve accountability, protect vulnerable patients, and align regulatory practice with the reality that healthcare delivery is not merely a financial transaction but a human service with ethical and public-interest dimensions.

## 7. Conclusion

FSRA plays a critical role in shaping whether Ontario’s auto insurance system functions as a benefits system for injured people or as a procedural system that quietly excludes those with the least power.

The Statement of Priorities can be a powerful accountability instrument — but only if it is structured to deliver, close, and measure.

This submission respectfully urges FSRA to:

- Introduce outcome-based accountability,
- Close long-standing priority loops,
- Remove regulatory structures that fail necessity and proportionality tests, and
- Re-anchor its work in measurable public-interest outcomes.
- Establish an Insurance Adjuster Code of Conduct and a Healthcare Professional - Accessible Complaint Mechanism – similar to Healthcare Colleges
- **Publicly respond, in full, to the questions submitted by healthcare professionals at the 2024 FSRA Exchange, and treat this as a minimum standard of principled regulation, procedural fairness, and institutional legitimacy.**

We offer these comments in the spirit of strengthening FSRA’s ability to serve Ontarians fairly, effectively, and transparently.