



IBC·BAC
Insurance Bureau of Canada
Bureau d'assurance du Canada

Amanda Dean

*Vice-President, Ontario & Atlantic
Vice-présidente, Ontario et Atlantique*

902.402.1028
adean@ibc.ca

777 Bay Street, Suite 1900
P.O. Box 121, Toronto, ON M5G 2C8

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Financial Services Regulatory Authority of Ontario (FSRA)
Auto Insurance Sector
25 Sheppard Avenue West, Suite 100
Toronto, ON M2N 6S6

Re: Proposed 2026–2027 Budget Plan

Insurance Bureau of Canada (IBC), on behalf of its member property and casualty (P&C) insurers, submits the following comments on FSRA's Proposed 2026–2027 Budget Plan.

Proposed Budget Increases

As outlined in the proposed budget, services are expected to increase by \$1.1 million, or 9.3%, from FY2025–2026. To support a more complete understanding of the proposed budget, the P&C insurance industry would appreciate additional clarity on FSRA's full-time equivalent complement over time. Historical staffing information would help stakeholders understand how FSRA's workforce has evolved alongside its transition to a principles-based regulatory approach.

IBC acknowledges that the increase in services is largely driven by a three-year consulting contract valued at \$4.5 million to support auto insurance reform initiatives. Additional transparency regarding the scope and activities associated with this contract would be helpful, given its potential impact on auto insurance premiums.

Overall, the P&C insurance industry would appreciate further context on the budget and fee assessment increases of 6.5% and 8.5%, respectively. Greater clarity on how FSRA has explored opportunities to manage costs or achieve efficiencies would help stakeholders assess the reasonableness of the proposed increases, particularly given that these costs are ultimately passed on to consumers.

IBC would also like to note that the projected increase in the cost of services related to the P&C industry was flagged as a major concern at the October 16, 2023, P&C Insurance Industry Stakeholder Advisory Committee meeting (see attached letter), demonstrating that the concerns raised at that meeting remain relevant today.

Regulatory Burden

As noted in IBC's submission on FSRA's proposed 2026–2027 Statement of Priorities consultation, the P&C insurance industry continues to be concerned about an increasing regulatory burden from new supervisory activities, thematic reviews and data requests. These requirements contribute to higher operational costs that can, in turn, negatively impact affordability for consumers. We encourage FSRA to continue evaluating the costs and benefits of its initiatives to ensure they are proportionate and aligned with consumer value.

IBC members have also noted that a substantial portion of FSRA's resources is dedicated to the P&C insurance sector, much of which relates to auto insurance rate regulation. Additional clarity on how FSRA allocates



supervisory resources across all regulated sectors, including pensions, life and health insurance, credit unions and mortgage brokers, would be helpful. A clearer understanding of this allocation would support transparency and demonstrate how FSRA's principles-based approach is applied across its full mandate.

Consultation Period

Lastly, IBC and its members wish to underscore the importance of meaningful consultation with the industry and note that short consultation periods limit stakeholders' ability to provide thoughtful, comprehensive feedback. In previous years, FSRA's budget consultation aligned with the review of its annual strategic plan, enabling a more holistic assessment of its priorities and resourcing. We recommend a return to this approach to support more effective engagement.

Thank you for the opportunity to comment on FSRA's Proposed 2026–2027 Budget Plan. We appreciate FSRA's continued commitment to engaging stakeholders and welcome the opportunity to contribute perspectives that support transparency, accountability and effective regulatory outcomes.

Sincerely,

Amanda Dean
Lobbyist Registration Number 54385H

AD/jw

Attachment: Follow-up Letter P&C SAC, October 30, 2023