

SUBMISSION TO THE FSRA  
REGARDING  
Unfair or Deceptive Acts or Practices  
PROPOSED RULE (2020-002)  
MARCH 18, 2021

**Introduction:**

Our concern began with the publishing of the proposed budget for 2019 -2020. It was there that we read how this Government was considering the legislation for the practise of “Preferred Vendors” even allowing the Insurance Companies to offer a discount should the Insured agree to use the Insurance Companies “Preferred Vendors”.

Should certain of these rule changes be adopted, as we read them, (see following) we believe would discriminate against all small businesses, their owners, employees, and families who have not been chosen by the Insurance Companies, while taking away the consumers right to choose, their basic right. To offer a modified (based on what) discount to coerce an already secured (by law) buyer to use your Preferred Vendor is tantamount to tide selling. To argue the benefit is to the buyer and not the Insurance Company and the Vendor without systemic proof is not an argument at all.

The Insurance Industry is the only industry, who can, when you buy their product, and then use it, are able to penalize you for doing so. It is safe to say that most Ontarians are frightened by the Insurance Industry and the hold they have over them, this should not be

Many businesses in our market segment have been in business for decades some even 2<sup>nd</sup> and 3<sup>rd</sup> generation, hard working, honest, reliable, and approachable who have been trying to compete in a market they have been illegally barred from. They have been painted with a paintbrush they do not deserve by an artist who has at best cheated them out of their inheritance as an Ontario business. While there are problems in this industry, the problems have been created by the process (see note Preferred Vendors below). There has been legislation upon legislation, rule upon rule (like this Act) that has never been enforced by any Government - such as Steering, as an example.

While we do not (and no one should) support or condone the recent actions by some in the towing and other industries along with some police involvement. These actions carried out against an unenforced process should not be used to allow any Industry or Government the right to ban Ontario businesses from a Fair and Level Market Economy that clearly would be best for and serve all Ontarians.

These changes have been written by Stakeholders primarily from the Insurance Industry. We have not had a voice, yet these changes (as we understand them) will affect our industries greatly. We would like a voice at the table – see Government Promise a) under Notes.

**Regarding Your Question #4 page 9:**

**Are there any other issues or amendments to the Proposed Rule that FSRA should consider as it proceeds to its intended second stage of work in this area?**

- The Government has a responsibility to Govern for all Ontarians fairly... stated... but we believe lacking in the following. See Note b) under Notes.
- Insurance is mandatory in Ontario. The Insurance Companies receive their revenues from this vast marketplace; therefore, there should be a “Fair Market Economy” for all Ontario Citizens and Businesses to directly deal with the Insurance Industry. The Insurance Industry should not have any control over this process.
- Insurance Companies should be in the business of selling insurance only according to predetermined guidelines from the “FSRA” They should not be in the business of controlling costs, but paying vendors only, according to like guidelines.
- It should be required that Insurance Companies cannot discriminate against Ontario businesses; see Preferred Vendors “Note” following.

**Note: Preferred Vendors:**

It is our opinion, through serious and lengthy evidence that the practise of Preferred Vendors has caused most, if not all, the problems in our industry segment to date. For years, the Insurance Companies have pushed their Preferred Vendor programs on our industries. By doing this (refusing to allow all businesses to participate openly and fairly) various vendors began trying to find ways of competing - which should be guaranteed. Had the Governments of the day and the Insurance Industry found ways to create a “Fair Market Economy” for all, this issue would not be where it is today.

- Insurance Company vendors should not be allowed to sell franchises or sign-up businesses (charging fees) based on their Preferred Vendor status.
- Insurance Companies should not be allowed to take rebates from their “Preferred Vendors”. This does not serve the consumer. The consumer’s business is directed (steered) by the Insurance Company, without the consumer’s right to choose guaranteed to them by the “Consumer’s Bill of Rights”. Who protects the consumer from Anticompetitive, Monopolistic Government Mandated Relationships?
- In this Rule change (it appears) the Insurance Companies are able to receive rebates, others cannot (see above); we are seeking a fair market solution for all Ontarians. See note c) under Notes.
- No entity should be able to control markets by legislation, Government arrangement (collusion) or by size (domination) – see Bureau of Competition Act.
- In the OMVIC example, vendors (the suppliers) can be licensed and controlled in the same fashion as “OMVIC”. Complete transparency and best practises for all Ontarians.

- If these changes in this Rule are made, who protects the consumer from the monopolized power of the Insurance Company or their vendors acting unreasonably or unfairly?
- Competition is the only way that markets find balance in pricing, fairness, honesty, and quality of service or best business practises; small business is 80 – 90% of our economy yet insurance companies are able to form illegal partnerships and then lobby against those that do not serve their self-seeking purpose. This is an “Unfair Insurance Practise”. See Note b) under Notes.
- Quote from Rule: The Proposed Rule delivers on this commitment by promoting safety, fairness and choice for insurance customers. See note d) under Notes.

### **NOTES:**

- a) The Government promises “in this Budget that they will remain responsive to those who have neither the money to hire expensive lobbyists nor the time to engage in full-time professional protesting”; we must now organize to compete against the power of the Insurance Industry. We are counting on this promise that this Government will be responsive to our concerns and allow us a place at the discussion table... (underline added).
- b) The “Budget” talks a great deal about “Competition” how it is mandatory and how they (the Government) wish to add even more “Competition” for the better interest of Ontarians, yet, when it comes to “Competition within the “Insurance Industry”, “Preferred Vendors” as lobbied by the “Insurance Industry” may now be mandated by this Government, Unfair.
- c) This was taken from the Proposed Rule (2020-002) page 3, 2<sup>nd</sup> Bullet. We are confused by this. We are seeking clarification of this point?  
 “Removing barriers to innovation in the area of customer incentives, including rebates and incentives provided they:
  - do not lead to decisions that are against in the interests of consumers;
  - are not prohibited by law;
  - are transparently communicated; and
  - are not unfairly discriminatory, anti-competitive or reliant on prohibited factors”.
- d) This was taken from the Proposal Rule (2020-002) Page 2 paragraph 1. “The Proposed Rule delivers on this commitment by promoting safety, fairness and choice for insurance customers”. We agree and hope that this is factual and can be taken as stated (see above b).

### **Who We Are:**

We are the “Citizens Against Unfair Insurance Practises” or “CAUIP”. We are against the unfair practises we deal with today and (we believe) are shown in this Rule (2020-002). We have had no position at the table, no discussion or involvement, we can only read between the lines and in doing so we are frightened, and we should not be. This Government when making policy should not look only at the outside of an issue, listen only to certain stakeholders, but to all. We are seeking a place at the table, a place where we can discuss face to face these issues, so

that, we may, one, understand clearly what is written in this Rule. Two, discuss our views and concerns, to be sure that we have been heard, not from a submission, but from discussion.

It is our intent to involve the people of Ontario, through all possible means, to ensure the picture they see, is the correct one, in so doing, gain public acceptance, and if needed, to take all other actions necessary to ensure that there is "Fair Insurance Practises" for all Ontarians.

Signed  
Citizens Against Unfair Insurance Practises

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