



October 29, 2021

Submitted electronically

Financial Services Regulatory Authority of Ontario
Auto Insurance Sector
5160 Yonge Street, 16th Floor
Toronto, Ontario
M2N 6L9

Re: ID 2021-016 – Consultation on proposed 2022-23 Statement of Priorities

On behalf of CAA Insurance (CAA), I am pleased to share our comments in response to the Financial Services Regulatory Authority of Ontario's (FSRA) consultation (2021-016) on the proposed 2022-23 Statement of Priorities.

Since FSRA's inception, CAA has found numerous synergies between the regulator's mandate, and the principles that CAA is rooted in, particularly in the areas of consumer protection and innovation.

In reviewing the proposed Statement of Priorities, we are pleased to offer the following comments for FSRA's consideration.

Upon review, CAA agrees with the approach outlined by FSRA to approach reforming the regulation of auto insurance rates and underwriting. In order for FSRA to accomplish the objectives and outcomes listed, it is imperative that stakeholder consultations continue to be made a core priority, either in the form of formal, open consultations or advisory groups. Moreover, these consultations need to be initiated at the first possible opportunity, and that they be representative of the entire insurance industry to ensure that companies of all sizes and scope have equal opportunity to independently provide meaningful and substantive input for the regulator's consideration.

As FSRA embarks on exploring reforms, we encourage the regulator to consider dynamic systems and processes to allow for real time adjustments as part of the framework.

Within the FSRA document it was referenced that the issue of affordability is top of mind for many consumers. We are pleased that during the pandemic, FSRA allowed the auto insurance industry the opportunity to provide relief to consumers in ways that would have otherwise been prohibited. CAA Insurance leveraged these options and continues to provide industry-leading relief that benefit our policyholders both in the form of a rate reduction and two financial relief measures.

While price is a very important factor for consumers, it is not the only consideration for some policyholders. As discussed in the recent Take All Comers review, there are numerous variables that differentiate insurance products. It is important to underscore that while affordability and value-for-money is critical, it is also important for consumers to consider what is available to them, as not all insurance products are the same, nor do all consumers simply want to the cheapest product they can access. We look forward to FSRA completing the Take All Comers review that is ongoing and providing additional comments should the opportunity be provided.

Lastly, CAA Insurance is pleased to see FSRA's planned efforts around insurance prudential supervision. We support FSRA's intended approach and goals outlined within the document.

Thank you for the opportunity to provide these comments. We welcome further discussions with FSRA representatives should you have any questions.

Sincerely,

Elliott Silverstein
Director, Government Relations
CAA Insurance Company