



November 11, 2022

Mark White  
CEO  
Financial Services Regulatory Authority  
5160 Yonge St 17th Floor  
North York, ON, M2N 6L9

**RE: Intact Financial Corporation's Written Submission to FSRA – Consultation on Proposed FY2023-2024 Statement of Priorities and Financial Plan**

Dear Mr. White,

Please find below written feedback on behalf of Intact Financial Corporation ("IFC") relating to the Proposed FY2023-2024 Statement of Priorities ("Priorities") released by the Financial Services Regulatory Authority of Ontario ("FSRA") for public consultation on October 13, 2022.

**I. GENERAL COMMENTS**

IFC supports FSRA's overall commitment to positive consumer outcomes and the modernization of the insurance industry through innovation, including the use of digital platforms, automation and usage-based insurance. We appreciate that FSRA is supporting advancement while being mindful of consumer impacts.

We also applaud FSRA's focus on addressing the needs of vulnerable consumers by creating education to encourage informed decision-making, and we are pleased that FSRA recognizes the important work taking place in the industry around Environmental, Social and Governance criteria.

**II. COMMENTS ON PROPERTY AND CASUALTY (AUTO) PRIORITIES (SECTION 5)**

**a. Reforming the regulation of auto insurance rates & underwriting (Subsection 5.1 of the Priorities)**

IFC welcomes reforms in the regulation of auto insurance rates and underwriting to make oversight more dynamic and flexible and we look forward to future consultations with FSRA on the key deliverables for these outcomes identified in section 5.1 of the Priorities.

In particular and considering the impact that the concept of fairness can have on consumers, IFC would be happy to collaborate with FSRA on any legal framework changes based on the definition of "fairness" in rates and underwriting.

**b. Reforming the auto insurance system (Subsection 5.2 of the Priorities)**

IFC approves of FSRA's continued support for legislative reform in the auto sector to lower costs and improve consumer protection.

We are encouraged by the focus on key deliverables like reducing fraud and abuse, improving auto insurance health claims and providing consumers with enhanced choices (i.e. the ability to opt out of Direct Compensation-Property Damage coverage).

IFC is excited to work with FSRA on innovative ways we can help reduce costs associated with fraud, as well as ways to ensure consumers can make informed decisions about their policies and coverages.

**c. Ensuring the Fair Treatment of Property and Casualty ("P&C") Consumers (Section 5.3)**

In terms of the Fair Treatment of Consumers ("FTC"), we agree that FSRA needs to support high standards for market conduct to guarantee public confidence in the P&C industry and we approve of FSRA's risk-based and outcomes-focused approach.

In the "key deliverables" for section 5.3 of the Priorities, FSRA indicate that it will build on its "...supervision activities to develop a market conduct framework for P&C insurance to address priority areas for supervision, including insurance distribution". As we now have a variety of guidance related to FTC and market conduct, we'd like to understand more about what FSRA sees as forming part of this framework and what "building" on their supervision activities" might entail.

We thank FSRA for this consultation and the opportunity to provide commentary, and we look forward to working together to improve our industry. We are available to discuss further.

Thank you and regards,

A handwritten signature in black ink that reads "Julie Nolette". The signature is written in a cursive, flowing style.

Julie Nolette  
Vice President Personal Lines, Intact Insurance West, Ontario & Atlantic