

Friday Mach 8 2023

**FSRA’s Approach to Strengthen Protection of Vulnerable Consumers**

**&**

**Gender Markers in Insurance**

Dear Stuart Wilkinson,

On February 8th members of IBAO’s Diversity Equity and Inclusion committee attended your webinar regarding FSRA’s approach to strengthening the protection of vulnerable consumers. Our committee is made up of working RIBO licensed brokers who represent a diverse cross section of backgrounds. Thank you for hosting this event and for prioritizing these efforts. IBAO is a strong supporter of this mandate.

As a result of this call and after further review of your materials, IBAO’s DEI Committee wanted to flag an issue that may be of interest to you. While this is certainly not an exclusive list of vulnerable consumers impacted in the P&C industry, this example is one in which we wanted to highlight today.

In addition to any efforts FSRA actions on this file, the Insurance Brokers Association of Ontario will also be exploring the issue in more detail on our end.

**Group #1: Transgender Auto Insurance Consumers**

## **Background:**

## [One in 300 people in Canada aged 15 and older are transgender or non-binary, as per Stats Can](https://www150.statcan.gc.ca/n1/daily-quotidien/220427/dq220427b-eng.htm).

* Citizens who do not identify as either female or male can list their gender as "X" on Canadian identification documents. This includes passports, citizenship certificates and permanent resident cards.
* Since 2017, Ontario drivers have had the option to display an 'X' in the sex field of their driver's licence, to ensure the fair, ethical and equitable treatment of people with trans and non-binary gender identity.
* Ontario auto rates and risk classification systems require that genders be recognized at point of quotation (Male, Female, Gender X).
* Since 2018, Ontario’s insurance industry has allowed motorists to identify as Gender X.

**Ontario Brokerage Observations:**

The IBAO DEI committee compared the experiences of the top 23 largest insurers auto insurers in Ontario distributing their auto products through insurance brokerages.

* 30% of the insurance companies offered “Gender X” as an option on their auto quoting portal. The others required brokers to use the “Female” option.
* One insurer used gender pronouns on the client facing auto policy documents. This means that if the consumer told the broker that they were “Gender X”, they would have received their policy documents that indicated that they were “Female”.
* Three insurers use gender pronouns in their underwriting manuals and there is no they/them option which should be considered when rewriting their manuals.

**Proposed Actions & Next Steps:**

From a public policy perspective, we seek to work with the industry in a joint advocacy effort and inquire with MTO on how they ensure that gender markers are linked for the same individual (if there is a gender change) on all consumer profiles. Market evidence would indicate that reliving the gender transformation narrative can be very stressful for certain individuals when trying to explain their driving history during the insurance shopping process.

We view FSRA as an efficient access point to have important conversations.

* We encourage all insurers to have Gender X as an option on their auto quoting portal. Even if there is not enough historical data to justify a delta in the auto rate for this class, historical data cannot be measured in the future unless it is collected now.
* Client facing policy documents should reflect the gender pronouns and markers as presented to the broker at the point of sale.
* We recommend that insurers evolve away from using gender pronouns in underwriting manuals

**What additional information, (such as leading practices, tools, opportunities or risks) should FSRA be considering to inform its approach?**

* IBAO would be happy to work with you to share examples of our observations. We have created a “scorecard” which has tracked these observations across a variety of insurance carriers.

**Conclusion:**

Over time, the acceptance and understanding of gender and sexual diversity has evolved. Younger generations will be more comfortable reporting their gender identity than older generations and they will expect that their insurance companies respond accordingly.

Thank you for your consideration and we look forward to future collaboration. Members of the IBAO DEI Committee and I would be happy to join you on a call should you have further questions.

Regards,

Brett Boadway

Chief Operating Officer



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