

November 29, 2024

Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, ON  
M2N 6S6

Re: ***Consultation on Auto Reforms – ID:2024-011  
Statutory Accident Benefits Schedule (SABS) Guidelines Review***

To Whom It May Concern:

Thank you for the opportunity to provide input based on the consultation paper published in September 2024.

We are responding on behalf of the members of the Ontario Mutuals Insurance Association.

Our Association represents provincially chartered farm mutual insurers from across the province. Our trading areas are primarily in rural Ontario. All our mutuals are 100% participating mutuals; there is no share capital and ownership of the mutual rests with the policyholders.

Each of our mutuals is over one hundred years old with the first of our mutuals being established in the 1850s. We have a long history of providing affordable insurance and ensuring availability to policyholders through both hard and soft market cycles.

Our primary products are farm insurance, home insurance, auto insurance, and small business insurance.

In review of the options provided, we note and acknowledge that the Professional Service Guideline (PSG) rates have not been published since 2014. While these are maximum rates, and therefore may be sufficient for longer periods of time, we believe that they should be reviewed and, where warranted, indexed at scheduled intervals.

We have a major concern that maximum rates, as set, have become untethered from market rates and may either be sufficient or insufficient, independent from the effect of inflation. We are not confident that the current regime reflects fair market value for services rendered.

Ontario has multiple insurance-based regimes that are the major payors for the treatment of injuries. These regimes include the Workplace Service Insurance Board (WSIB), the Ontario Hospital Insurance Plan (OHIP), private insurers, and of course automobile insurers.

There appears to be significant differentiation as to hourly rates paid and the use of flat fees.

Given FSRA's authority to review PSGs we believe that a benchmarking study or a meaningful comparison of how these other insurance systems are paying for treatment should be completed. We believe the maximum rates under the PSGs should be set to a reasonable benchmark and should subsequently be indexed based on CPI every 1-2 years. In periods of low inflation, it may be administratively more efficient for all stakeholders to defer indexation until CPI hits a certain threshold in a given year. Overall, we recognize that this will no doubt create an increase in the overall cost of treatment. However, we believe that to ensure availability and treat all stakeholders including PSGs fairly a realistic benchmark maximum rate should be researched and set.


As regards the Attendant Care Hourly Rate Guideline (ACHRG), we see an opportunity to combine Level 1 and 2 care options. We believe that these options might be described as supervisory in nature, as opposed to personal care or attendant care in nature. If the Levels cannot be combined, we believe that they should be paid at the same rate and moved to minimum wage levels. We believe Level 3 should be increased to reflect the current proportional gap between Levels 2 and 3, thereby moving it upward. We believe that if this approach is adopted the change could take place at one time. We also believe that these rates should be indexed every 1-2 years to CPI.

For the rates within the Minor Injury Guideline (MIG), these have not been of concern to the best of our knowledge. The MIG was introduced to provide cost certainty and access to care quickly and with a lower administrative burden to all parties. We believe the MIG has provided good access to care, and we are not aware of any access issues for our policyholders. We do not believe that immediate action is required, but if necessary recommend it be looked at in the same way as the Professional Services Guideline including benchmarking costs of care to the broader care system.

In the event that there are rate changes, we would ask that our association be included in the communication roll out.

Thank you for the opportunity to provide comments.

Yours truly,

A handwritten signature in blue ink that reads "John L. Taylor". The signature is written in a cursive, flowing style.

John L. Taylor BBA, FCIP, FCLA, CHRL  
President

