



Montreal, November 29, 2024

Mr. Stephen Power
General Manager (interim)
Financial Services Regulatory Authority of Ontario
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Toronto, ON M2N 6S6
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Re: Consultation on auto reforms

Mr. Power,

We have read with great interest the *Health Service Provider (HSP) Framework Review*, *Health Claims for Auto Insurance (HCAI) System Review* and *The Statutory Accident Benefits Schedule (SABS) Guidelines Review* that have been submitted for public consultation.

As the leading cooperative financial group in North America with more than \$464,7 billion in assets¹ and 7.7 million members and clients², Desjardins Group offers a wide range of products and services across Canada for both individual and business clients, including Property and Casualty (P&C) Insurance, Wealth Management and Life and Health Insurance. Desjardins General Insurance Group Inc. (DGIG) and its insurance subsidiaries are among the leaders in P&C insurance in Canada³ with more than 3.7 million clients and a total premium volume of over \$6.9 billion⁴.

Desjardins Group always welcomes initiatives from regulators aiming to identify administrative and cost efficiencies that contribute to ensuring modern and efficient systems allowing us to better serve our clients. We are satisfied that FSRA is answering the Ontario government's call to review the Health Service Provider Guidelines and Frameworks in order to keep cost down for Ontarians while ensuring the care needed and that health service providers are appropriately compensated for their services. As such, our comments aim to assist FSRA in finding a path that ensures an efficient system which benefits every stakeholder of the auto insurance system in Ontario.

HSP Framework Review

We are broadly in support of all three proposed initiatives. A strong, healthy and well-regulated healthcare market is crucial to support insurers in providing care to our members and clients. We are also encouraged by the fact that FSRA intends to prioritize the enhancement of its licensing function in 2025-26 across all regulated sectors, a priority we see reflected through Initiative A. In fact, Desjardins Group is supportive of licensing improvements that would reduce administrative

¹ As of September 30, 2024: [Q3-2024 Financial Report](#)

² As of September 30, 2024: [Investor fact sheet](#)

³ As of September 30, 2024: [Investor fact sheet](#)

⁴ As of September 30, 2024: [Investor fact sheet](#)

burden, expedite approval times and ultimately lead to a better end-to-end experience for Ontario drivers. These initiatives, paired with enforcement actions to better detect and act against bad actors who open new clinics when caught, should be beneficial for insurers and their clients.

SABS Guidelines Review

We recognize FSRA's mandate to foster a strong and sustainable auto insurance sector, both for the consumers of what is a mandatory product and for service providers within the ecosystem. However, our members and clients are certainly feeling the intense inflation of the last few years and therefore they would probably not want to suffer a significant increase in auto insurance premiums on top of the already high cost of living. Moreover, rates have not been indexed in a while, and some providers can point to the fact that some rates they are permitted to charge may no longer be adequate. Therefore, we are of the opinion that a balanced approach needs to consider the rate charged to an individual insured by the Workplace Safety and Insurance Board (WSIB) or employer-sponsored health plans. If providers are paid significantly less for treating automobile accident victims, access to care could be compromised and could lead to undertreatment, while if providers are paid more for auto insurance victims these risks inflating premiums unnecessarily. An imbalance between the auto insurance rate and the rate paid through other source of insurance also incentivize attempts to link injury to the most generous plan, which can ultimately lead to poor outcomes for stakeholders.

- **Professional service guideline (PSG)**

As noted by FSRA, medical and rehabilitation costs are a major component of the total cost of auto insurance claims (see Appendix A - Auto Insurance Claims). The primary drivers behind these costs are the fees that HSPs charge services, notwithstanding the time that has passed since they were last adjusted. While thus far this has not resulted in a reduction in access to care for consumers, this is unlikely to be sustainable on the long term and it would be preferable not to wait until a crisis in access to healthcare materializes before acting.

It is however important to note that the rate under PSG are the maximum hourly rates. As such, the gap between market rate and PSG rate may vary widely on a case-by-case basis. For this reason, Desjardins Group believes that instead of maintaining existing rates or increasing them by inflation, the best and fairest path forward would be for FSRA to review the fee schedule to adjust only those rates that have significantly fallen behind the market rate, while keeping an hourly rate structure to avoid a sudden and drastic change that could be disruptive. This approach would ensure that rates do not disagree with the actual market rate, and provide the tools required for a more targeted and precise rate increase. Significant increases should be staggered over the years to avoid a rate shock and help keep the market stable. We believe this approach would be fair for the various stakeholders and ensure the sustainability of the system while preserving affordability for clients as much as possible. In any case, such a review will provide crucial information that can guide FSRA in its decision-making process.

- **Attendant Care Hourly Rate Guideline Consultation**

As previously mentioned, it is important to ensure that rates do not differ too significantly from actual market rate and other insurance frameworks, as an imbalance between markets could cause problematic outcomes of undertreatment, outsized premium increase, etc. As such, we believe the Attendant Care Hourly Rates should be aligned with WSIB.

- **Minor injury Guidelines (MIG)**

Regarding the MIG, we support option B (MIG: Status Quo – Maintain Fees in Schedule). Indeed, the majority of our claimants that fall under the MIG do not exhaust the \$3,500 in medical and rehabilitation benefits available to them. As such, we believe that maintaining the status quo continues to provide the best balance between access to treatment for claimants and maintaining affordable premiums.

HCAI System Review

While we are broadly satisfied with the HCAI system, we do believe certain elements could be further optimized to ensure its continued efficiency for the industry. As such, we support all three initiatives proposed by FSRA however, we believe initiative A (Prioritize Increasing the Number of Forms Transmitted Through HCAI) should be prioritized as it would be the most likely to provide value in the short term.

Nevertheless, caution should be applied before adding the OCF-3 Disability Certificate because many of the OCF-3 forms are completed and signed by general practitioner physicians. As such, there is a need for agreement from a major segment of general practitioners before this could be added to HCAI, and FSRA must ensure the addition does not add further administrative burden to family doctors.

On behalf of Desjardins Group, we thank you for this opportunity to share our comments.

Should you require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

Senior Director, Regulatory Affairs,



Giuseppina Marra, CPA auditor, ICD.D

Cc.

Mrs. Kareen Gaudreault, Vice-President, Claims Division

Mrs. Marie-Andrée Alain, Vice-President and Chief Risk Officer, Compliance and Privacy Division and Office of the Chief Compliance and Privacy Officer

Mr. Jocelyn Laflamme, Vice-President, Actuarial Services and Underwriting Division