

CarRx Canada Submission to the Department of Finance
Consultation on a New Supervisory Model for Auto Insurance
Rating and Underwriting in Ontario

November 14, 2024

About CarRx

- CarRx Canada is a product of Procon Analytics, an industry leader in theft recovery and smart connected vehicles with over 4 million devices already on the road across North America. To date CarRx Canada has a 100% vehicle recovery rate in Canada, thanks to a multilayered GPS and cellular technology system with real-time positioning ensuring accurate, real-time location data and detailed trip history. We provide drivers with 24/7 monitoring of vehicle location and alert them when vehicles move out of their designated locations.
- CarRx Canada is responding to the request by the Financial Services Regulatory Authority of Ontario's (FSRA) consultation on changes to Ontario's supervisory model for auto insurance rating and underwriting and the establishment of a Principles-Based Regulatory (PBR) system. CarRx Canada supports the goal of creating a transparent system of determining auto insurance pricing for drivers across the province. CarRx Canada would also like to see as part of this transparent system, the creation of a new pricing system for Ontario drivers who install vehicle recovery devices in their cars.

Supporting Theft Recovery Industry

- CarRx Canada is a leader in vehicle tracking technology, providing users with detailed information on the location of their vehicle and their vehicle's trip history. Our proven technology is certified by the Federal Communications Commission; Innovation, Science and Economic Development Canada; PCS Type Certification Review Board; and Bluetooth Special Interest Group. Our tools ensure that drivers across Ontario will know where their vehicles are 100% of the time.
- For many years, insurance providers in Ontario only recognized the installation of a couple devices to provide consumers with discounts on their insurance rates. While we have preliminary agreements in place with several insurers, the lengthiness of the application process coupled with the lack of consistent approval processes presented significant barriers to market adoption. CarRx Canada wants this system to change. The market should be opened to additional industry leaders already operating across North America who can help promote the use of anti-theft and vehicle recovery devices, and the approval process should be harmonized across all insurers.

Guaranteeing Fairness and Trust for Consumers

- CarRx Canada believes in developing trust between us and our customers and we want to see that trust extended to Ontario drivers and their insurance providers. We believe that providing drivers with discounted insurance plans and rebates on installation for vehicle recovery systems will not only help promote the adoption of these devices and ultimately reduce auto-theft rates in the province but also provide peace of mind and cultivate trust between customers and their insurance provider, knowing that they took the simple and necessary steps to protect their vehicle and will be rewarded for it with a lower insurance rate.
- CarRx Canada believes that consumers should have the ability to select the theft protection system that best meets their needs. Consumers should not be forced to purchase a specific product to benefit from insurance discounts and rebates but instead should have the autonomy to select a theft protection product that meets their unique needs.

Conclusion

- Ontario is a major hot spot for vehicle thefts in Canada and the provincial government and FSRA can reduce the risk of auto theft and protect consumers in the province by establishing a principles-based regulatory system that rewards customers who take the necessary precautions to protect their vehicles.
- This is not a definitive outline of auto insurance pricing systems in Ontario but does offer advice on how FSRA can support and protect Ontario drivers by creating a fair and transparent insurance pricing system that takes into account the installation of vehicle recovery devices by offering fair insurance rates for the installation of vehicle recovery systems from any of North America's leading providers.