



## ONTARIO MUTUAL INSURANCE ASSOCIATION

Address: 350 Pinebush Road  
Cambridge Ontario N1T 1Z6

Mail: P.O. Box 3187  
Cambridge ON N3H 4S6

Tel: (519) 622-9220  
Fax: (519) 622-9227

**[www.omia.com](http://www.omia.com)**

*Since 1882*

December 9<sup>th</sup>, 2013

Senior Manager  
Automobile Insurance Policy Unit  
Industrial and Financial Policy Branch  
Ministry of Finance  
95 Grosvenor Street, 4<sup>th</sup> Floor  
Toronto, ON M7A 1Z1

[AutoInsurance@ontario.ca](mailto:AutoInsurance@ontario.ca)

Thank you for the opportunity to provide a further submission following the interim report completed by Justice Cunningham and his working group on proposed changes to Ontario's automobile dispute resolution system.

The Ontario Mutual Insurance Association represents farm mutual insurers from across Ontario.

In preparation for our further written submission, we took the opportunity to provide copies of the interim report to each of our member companies writing automobile insurance and to our Automobile Committee.

In commenting on the report we appreciate the clarity of the analysis of how the dispute resolution system has arrived at the point where it is today and the straightforward approach to identifying the areas where changes can most effectively lead to improvement.

We believe that the proposals outlined in the report all have validity. We also appreciate the acknowledgement in the report that the true test of the effectiveness of any changes to this system will lie in objective measurements including reducing claims and backlogs in the system, reducing the time it takes to complete dispute resolution and reducing the cost of the process both from the fee for service basis and from the administrative and legal costs incurred by disputing parties.

Ultimately the effectiveness of any changes must be measured against these goals.

Our member companies have a relatively unique profile and many, fortunately, find themselves involved in the dispute resolution system on an infrequent basis. The reason for this may be partially attributed to some of the demographic information

highlighted in the report with regards to the geographic concentration of claims giving rise to dispute resolution.

As an association we also recognize that any proposed changes must incorporate balance in the system and not simply an insurer-centric view. The dispute resolution system must be accessible and open as this enhances the customer service element of any claims experience.

We wish to make comments on a number of the key recommendations that we feel may require some reconsideration, or in the alternative some further analysis to provide guidelines and safeguards to ensure they provide the desired effect.

1. Page 34 of the report introduces the concept of an internal review by the insurer following any benefit denial.

In speaking for our member companies, we agree that no denial of benefits should be taken lightly. We believe that an internal review of a denial is not an unreasonable process step. We do however have concerns that in the implementation stage, the internal review process could take on a life of its own. We have particular concerns over the bureaucratization of the process. The SABs system already incorporates numerous forms and complex rules that in many cases serve to add time and expense to the system. In mandating an internal review process we would urge that the process and requirements remain as simple as possible. They should also be scalable to both large and small insurers.

2. On page 29 of the report, it is suggested that health care providers should be permitted to initiate a dispute. We have had an opportunity to review IBC's submission on the interim report and endorse their views in regards to conditions that should apply. If treatment providers are to be allowed direct access to the dispute resolution system, we believe that some mechanism must remain in place to ensure that the claimant remains a stakeholder in the process.

The goods and services purchased ultimately remain within the authority of the insured person, while the insurer remains an indemnifier of the insured person. Situations where the actual consumer of a good or service is removed from the equation opens the doors for increased costs and abuses of process.

As a caveat to our comments we are aware that the province is looking at a means to introduce licensing of healthcare providers that provide treatment to automobile accident victims. This licensing process is in its very early stages. Licensing also does not necessarily include supervision. It may be worthwhile to see a more mature and stress tested licensing system before allowing treatment providers to participate in the dispute resolution system.

In addition, the effectiveness of licensing of health clinics and practitioners who invoice auto insurers will primarily be driven by the content and enforceability of regulations. Understanding the scope and effectiveness of these regulations should be a pre-cursor to allowing greater access by healthcare providers to dispute resolution.

3. As a final point, the possible elimination of lump sum settlements is intriguing.

We fully agree that the purpose of the policy is to provide claimants with access to the treatment they require which is covered under the policy. We believe that the need for lump sum settlements should be very limited and perhaps a mechanism that would allow a special permission for these settlements should be required. Ultimately lump sum settlements whilst providing short term financial certainty may actually work against the long term physical health of the claimant as there is no mechanism to ensure that required treatment is accessed. In the event that treatment is not accessed or deferred, a situation is created where the costs of catching up on foregone treatment in future adds costs to the public healthcare system.

Thank you for the opportunity to provide comment on the interim report, and we wish you success in your continued consultations and recommendations.

Regards,



John L. Taylor, BBA, FCIP, CHRP  
President