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FAIR on DSR reform – 1: **Legislation too hasty**

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A group that advocates for accident victims say it was surprised to see the Ontario government introduce new insurance legislation so soon after the Dispute Resolution System review.

“We wonder how much discussion those proposals have actually had,” Rhona DesRoches, chair of the Association of Victims for Accident Insurance Reform (FAIR), told *Thompson's*. “We have not seen the results of the hearings or the report of the standing committee on general government automobile insurance review that started in 2012.”

KPMG has been selected to deliver the Automobile Insurance Transparency and Accountability Expert Report sometime later this month and the Ontario auto insurance three-year review submissions are due at the end of March.

“We would have hoped that our government would consider all of the information available to them when making substantial changes to our insurance regulations.”

FAIR took issue with a number of proposals under the new bill.

The proposal to make the DRS system more effective and efficient, while ensuring it remains accessible for accident victims by shifting responsibility from the Financial Services Commission of Ontario to an existing tribunal administered by the Ministry of the Attorney General needs further discussion, FAIR said.

Ms. DesRoches also expressed concern about the recommendation that all hearings on damages under \$10,000 be conducted on paper rather than in person.

“There are many seriously injured accident victims who are caught in the Minor Injury Guideline with a \$3,500 cap and who have been denied the benefits and treatment they need for recovery. This limitation will make their claims much harder to present and it is an obstacle to the fair treatment of the accident victim who has been unfairly treated by their insurer.”



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FAIR on DSR reform – 2: **Rate drop hurts victims**

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FAIR echoed the Ontario Trial Lawyers Association's objection to plans to lower the prejudgment interest rate in pain and suffering claims (Thompson's daily email service, March 10).

Under the proposed legislation, the rate would be lowered to 1.3% from the current 5%.

"There is no incentive to settle cases when insurers can make a fortune sitting on the dollars that are owed to the injured accident victim. Often insurers settle for only part of what is owed just prior to a hearing and the accident victim gets no interest at all," said FAIR chair Rhona DesRoches.

"If a claimant is wrongfully turned down by their insurer and waits years to get to court to finally get the funds, they've had to pay for legal representation, and that comes out of interest payments — payments the victim would not have incurred if the claim hadn't been turned down in the first place.

"Claimants are not being enriched by the present interest in any way when their costs are so high — the money has to come from somewhere and insurers who properly handle a claim aren't paying these interests rates, it's the insurers who have a high turn-down rate and who want to profit off their denials."

Ms. DesRoches said the bill's proposal to align the rate with market conditions, meant to help reduce claims costs, really means slashing payouts to accident victims.

"Many accident victims have to fund their own treatment and care, some have mortgaged or lost their homes, some have ended up on our social systems or borrowed funds at very high interest rates. Those are all common scenarios for Ontario's accident victims whose compensation for their hardship has just been vaporized. It's hard not to wonder where our legislators think that MVA victims get the funds to cover the costs of making a claim."

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