

September 16, 2019

**The Honourable Rod Phillips, MPP**

**Minister of Finance**

Financial Institutions Policy Branch

95 Grosvenor Street

Frost Building (North), 4<sup>th</sup> Floor

Toronto, ON M7A 1Z1

Via Email: [autoinsurance@ontario.ca](mailto:autoinsurance@ontario.ca)

Dear Minister Phillips,

**Re: Response to “Putting Drivers First: \$2M Catastrophic Impairment Default Benefit Limit” Consultation Paper**

I am writing to you on behalf of the Toronto Lawyers Association (“TLA”).

The TLA has had an opportunity to review and consider the Ontario Ministry of Finance’s “Putting Drivers First: \$2M Catastrophic Impairment Default Benefit Limit” Consultation Paper and provides the Ministry with the following feedback.

The TLA supports the Ontario government’s proposal to reinstate the \$2 million benefit limit for individuals who have suffered a catastrophic impairment as a result of an auto collision in Ontario. The TLA also supports the government’s proposal to permit consumers to allocate the \$2-million benefit limits as they wish between medical and rehabilitation benefits and attendant care benefits.

TLA has concerns, however, with respect to the government’s proposal to offer consumers the option of reducing their coverage to \$1 million as a method of reducing their auto insurance premiums. Auto insurance policies are difficult for consumers to understand. Consumers may not appreciate the expenses they may face in the event of a catastrophic impairment (for example, expensive modifications to one’s residence post-injury to make the residence more accessible to the injured claimant). When provided the option of reducing their coverage as a means of reducing their auto insurance premiums, consumers may elect to reduce coverage without fully appreciating the risks of doing so. To appreciate the likelihood of consumers electing lower premiums over superior coverage, one need only examine the low rate at which consumers purchased enhanced accident benefits coverage following the June 2016 legislative amendments to the Statutory Accident Benefits Schedule.

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Given the risks inherent in permitting consumers to opt for a lower benefits limit in exchange for a lower premium, the TLA does not support the government's proposal to provide consumers with such an option. Obtaining medical treatment following a catastrophic impairment can be very expensive and much of the treatment required by seriously injured claimants is not covered by Ontario's public health system. Consumers who opt for \$1 million in coverage may be required to turn to Ontario's already overburdened health care system and other social welfare systems for assistance once their benefits limits are exhausted or they may be forced to suffer without the treatment they need. From a social policy perspective, it would be ill-advised to permit consumers to be exposed to such risks.

If the Ontario government elects to proceed with a legislative amendment which includes an option to reduce coverage in exchange for a corresponding reduction in premiums, the TLA urges the government to address the need for greater consumer education on the risks of doing so. There ought to be oversight at the point-of-sale to ensure that insurance brokers and agents are adequately informing consumers of the risks of reducing coverage from \$2 million to \$1 million. For consumers purchasing auto insurance online, consumer education initiatives will be of even greater importance.

Thank you for considering these comments. Our Advocacy Committee would be pleased to discuss these comments with your team at your convenience, should you find additional consultation beneficial.

Yours very truly,



Margaret L. Waddell  
President  
Toronto Lawyers Association