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# Official Report of Debates (Hansard)

**Monday 13 May 2013**

# Journal des débats (Hansard)

**Lundi 13 mai 2013**

**Standing Committee on General Government**

**Comité permanent des affaires gouvernementales**

Automobile insurance review

Examen de l'assurance-automobile

Chair: Bas Balkissoon
Clerk: Sylwia Przezdziecki

Président : Bas Balkissoon
Greffière : Sylwia Przezdziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

# STANDING COMMITTEE ON GENERAL GOVERNMENT

# COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Monday 13 May 2013

Lundi 13 mai 2013

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*The committee met at 1443 in room 228.*

**The Vice-Chair (Mrs. Donna H. Cansfield):** I'd like to call to order the Standing Committee on General Government meeting. We have a number of delegations.

## AUTOMOBILE INSURANCE REVIEW

## GENERAL INSURANCE STATISTICAL AGENCY

**The Vice-Chair (Mrs. Donna H. Cansfield):** Our first delegation is the General Insurance Statistical Agency, GISA. Do we have GISA with us? Would you come forward, please? Good afternoon, and welcome. We ask, if you have a presentation, for about 10 minutes. Then we'll do a rotation; starting with the Progressive Conservatives, we'll rotate. I will let you know, at nine minutes, when you're near the end of your 10 minutes, sir. If you could please introduce yourself and your associate for Hansard, and then we can get started. Thank you.

**Mr. Nurez Jiwani:** Thank you, Madam Chair. I'm pleased to have this opportunity to present today. My name is Nurez Jiwani. I am the director of the regulatory coordination branch at the Financial Services Commission of Ontario, or FSCO. In this role, I oversee the work of the secretariats which coordinate the activities of four national organizations: the Canadian Association of Pension Supervisory Authorities, or CAPSA; the Canadian Council of Insurance Regulators, or CCIR; the Mortgage Broker Regulators' Council of Canada, or MBRCC; and the General Insurance Statistical Agency, or GISA. While the secretariats are located at FSCO, they are not part of FSCO. I will come back to the GISA secretariat later in my presentation.

With me is Sabitha Kanagasabai, the statistical plan lead in the GISA secretariat.

I'm here today to make a presentation on GISA, as requested by you. I understand that the automobile insurance rate approval process in Ontario was detailed in the April 15, 2013, submission of the Financial Services Commission of Ontario to this committee.

An outline of my presentation is provided on slide 2. In particular, I will speak to GISA's mandate, mission, governance, role, priorities and functions related to data.

As noted on slide 3, participating insurance regulators across Canada have the authority under their respective insurance legislation to collect statistics from licensed insurers. In accordance with this authority, in June 2005 the General Insurance Statistical Agency. or GISA, was federally incorporated as a not-for-profit corporation and appointed, effective April 1, 2006, as the statistical agent for insurance regulators by Alberta, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Yukon.

As outlined on slide 4, GISA's mandate is to collect and make available timely statistical information to support a healthy, accessible and responsive marketplace for property and casualty insurance. GISA's mission is to provide effective oversight of the statistical plans and related insurance data, and to ensure that timely, reliable and accurate information is efficiently produced.

Slide 5 outlines GISA's role. GISA provides governance, accountability and oversight of the statistical plans and related insurance data of the participating jurisdictions. As the appointed statistical agent, GISA coordinates and harmonizes the data-filing requirements for insurers and promotes the quality and value of the data, as well as the timeliness of data collection, processing and reporting.

As part of its role, GISA collects and makes available a number of different types of data and information for use by regulators and insurance companies, as well as other stakeholders. Since GISA's inception, the following data have been made available: automobile statistical plan data, which is mandatory for insurers to report on, and includes premium and claim records; and Ontario commercial liability statistical plan data, which insurers operating in Ontario are required to report for commercial liability insurance.

At the request of all the member regulators to obtain profit and expense information at the provincial level, GISA undertook a project to collect this information from automobile insurers. Insurers submitted their 2012 profit/expense information this past March. The information is currently being analyzed for quality and accuracy and will be made available later this summer.

A schematic of GISA's organizational structure is included on slide 6 and shows a governance structure that allows GISA to fulfill its mandate and carry out its activities. The board, together with the three board-appointed committees, provides stewardship and strategic management.

The GISA secretariat is composed of three staff that support the work of GISA's board and committees. As I mentioned before, the secretariat is located at FSCO, along with the secretariats of three other national organizations, but is not a part of FSCO.

GISA has entered into a memorandum of understanding with FSCO for the provision of supporting functions to the secretariat that include financial services, facilities and information technology services, and human resource support services. The costs incurred by FSCO in supporting the secretariat are recovered from GISA.

Under this arrangement, GISA staff, who are Ontario public service employees, report functionally to the GISA chair and administratively to the director of the regulatory coordination branch at FSCO. In order to carry out its mandate as a statistical agent, GISA retains the services of an external statistical service provider for data and information system services. In addition, GISA retains consultants for actuarial, information technology and legal expertise.

**1450**

As shown on slide 7, GISA is governed by a board of directors comprised of the nine insurance superintendents, three insurance industry members and two independent board members. The board is chaired by the Ontario superintendent, Mr. Philip Howell. Insurance superintendents of the reporting jurisdictions serve as member directors on GISA's board.

The insurance industry members are the president and CEOs of Wawanesa, Portage la Prairie Mutual, and Aviva Canada. The independent board members include Fred Barth, a chartered accountant; and Bryan Davies, who is currently the chair of the Canada Deposit Insurance Corp. Both the independent members have extensive private and public sector experience.

Slide 8 details GISA's strategic priorities as established in its strategic plan, and these drive the strategic initiatives undertaken by GISA. The strategic priorities are to effectively govern GISA and the statistical plans, promote the harmonized collection and reporting of accurate and reliable data, and build effective stakeholder relationships.

Slide 9 highlights the operational functions performed in relation to the data. The timeliness, quality and accuracy of data reported contribute directly to the value of the data. GISA's operational activities are therefore focused on ensuring the timeliness of the data collection, processing and reporting activities, and ensuring the quality and accuracy of the data reported.

The operational functions include data collection, processing and reporting. Currently, about 140 insurance companies submit statistical data to GISA each year, amounting to about 80 million transactions annually. The data is validated for quality and accuracy and aggregated into industry-level exhibits for review. The GISA consulting actuary, who is an independent actuary, reviews and certifies the exhibits.

Exhibits are made available electronically to the insurance regulators and reporting insurance companies.

**The Vice-Chair (Mrs. Donna H. Cansfield):** You have one minute left, sir.

**Mr. Nurez Jiwani:** Other interested parties may order the exhibits through an order form on the GISA website.

Approximately 70 automobile statistical plan exhibits are produced throughout the year. Full-year exhibits are produced, as well as half-year exhibits. In addition, about 10 commercial statistical plan exhibits are produced throughout the year. A listing of some of the exhibits available related to the automobile statistical plan is included on slide 11.

Thank you for the opportunity to present to the committee today. Sabitha and I look forward to answering any questions you might have.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much for your presentation. We'll start the rotation with the PC caucus.

**Mr. Jeff Yurek:** Thank you, Chair. Thanks for coming out today.

A question I'll start with: Can you explain to me the difference between "calendar year" and "accident year"? We've heard that term used between different agencies.

**Mr. Nurez Jiwani:** For example, for claims for any given year—say, 2013—a calendar year would be all of the claims paid during 2013, whereas an accident year would be—if an accident occurred in 2013, the claims could be paid this year but also in the future. Those would be accident-year claims.

**Mr. Jeff Yurek:** And GISA uses the accident year?

**Mr. Nurez Jiwani:** That's correct.

**Mr. Jeff Yurek:** And so you try to match the costs that have occurred up to a certain point, and then you project?

**Mr. Nurez Jiwani:** Yes. If there's a premium paid in 2013 and there's a claim in 2013, that claim could be paid over a number of years. Based on accident-year calculation, there's a matching of the claim against the premium.

**Mr. Jeff Yurek:** There was a ruling in arbitration, Scarlett v. Belair, due to the new SABS, that occurred just the other week. Based on what has been deemed in that case, we'll say for hypothetical purposes that the case is in 2011, would that mean that your claims data for 2011—that would not reflect what happened with the Scarlett decision, is that right? That decision that just occurred about a month ago.

**Mr. Nurez Jiwani:** Sorry, I'm not familiar with that—

**Mr. Jeff Yurek:** Basically, with the Scarlett v. Belair case, the arbitrator ruled that, in general, the precondition can take effect, and that will allow them to get more money from the insurance company outside of the MIGs. That would affect the cost. So that hasn't been taken into effect in your data, as per se that you're saying.

**Mr. Nurez Jiwani:** As I said, we collect the data from insurance companies. Our job is to collect the data, process the data and report the data. Whatever claims are reported by the insurance companies is what we report.

**Mr. Jeff Yurek:** This data will now be reported and the ruling in arbitration now affects a bunch of other cases, which the insurance companies are going to have to take into account and increase their claims costs. So you'll do an update on the numbers you have when you get that data?

**Mr. Nurez Jiwani:** As the data comes in, it's updated; that's correct.

**Mr. Jeff Yurek:** So you haven't updated the data on that yet. I raised that question because I just wondered how you account for the—the number changes all the time, but I'll go with the low number—14,000 cases that are in arbitration/mediation that yet to be resolved, which would have an effect on the cost to insurance companies. How do you account for that in your report?

**Mr. Nurez Jiwani:** Again, as I said, our job is really the collection of the data, the processing of the data and the reporting of the data.

**Mr. Jeff Yurek:** So if you haven't received that data, then it's not included.

**Mr. Nurez Jiwani:** It's not part of our—

**Mr. Jeff Yurek:** So the 14,000 cases that aren't arbitrated—

**Mr. Nurez Jiwani:** It's not part of our database.

**Mr. Jeff Yurek:** This data also doesn't include the operating cost of the industry, like salaries and wages. It's all pure claims data.

**Mr. Nurez Jiwani:** The data we get is the premium data and the claims data, and that's what we report.

**Mr. Jeff Yurek:** Would you recommend that policy decisions be made solely on GISA data?

**Mr. Nurez Jiwani:** Again, as I said throughout my presentation, our mandate is to collect all of this data. We've been appointed by the insurance regulators for a specific purpose, which is to collect the data, process the data and report. What decisions are made, what the data is used for—it's used, we know, by insurance regulators. We know it's used by insurance companies. But we don't get into those policy issues.

**Mr. Jeff Yurek:** Okay. I agree; the data is good that you collect. The only limitation I see in it is capturing some of the claims that take multiple years to resolve, and including the arbitration. Would you think that would be a limitation of your data?

**Mr. Nurez Jiwani:** Again, what we do is report on the data that is submitted to us.

**Mr. Jeff Yurek:** So you don't want to give me any definite answers, or—no, okay.

The insurance companies, for tax purposes, are trying to estimate what the future costs will be, based on accounting principles. They need to express all the costs, including future costs, within their fiscal year. Therefore we expect to see a difference between GISA data and audited financial data. Would that be correct?

**Mr. Nurez Jiwani:** Again, I'll emphasize what our role is. I cannot comment on other data that's produced by the companies. I can only comment on the data that we collect and that we report on.

**1500**

**Mr. Jim McDonell:** I think what we're asking, really—the data you collect, sometimes because the decisions take multiple years, those numbers are only reflected maybe after years of waiting for these court decisions to be made, or fiscal decisions. What we're trying to get at is, in a financial report they're trying to estimate what they will be, so we're wondering, is it fair to look at the profits of last year on the basis that a lot of these decisions that will affect last year's profits still haven't been made? Is it reasonable to, I guess, sit back here and say, "We're looking at huge profits for last year, but really we're expecting those to be somewhat reduced as decisions are being made?" I think we're just seeing the first ones come through the courts now. Would that be a fair statement?

**Mr. Nurez Jiwani:** Again, I cannot comment on profits. That's information—

**Mr. Jim McDonell:** No, but we're just talking about process here. Not profits, process.

**Mr. Nurez Jiwani:** What we process, as I said before, is data that we collect from insurance companies. What is reported is processed, and then we produce exhibits which—

**Mr. Jim McDonell:** Yes. The way the process works, though, you don't process or have available to you all the costs in a given year until years later, until decisions are made, just by the nature of the way the system works. Not through any fault of your own, but that's just the way it works; is that right?

**Mr. Nurez Jiwani:** Again, we report on what claims are submitted to us. That's all I can say.

**Mr. Jeff Yurek:** Okay. I just have one more question. Your data is now being used as an argument to change policy in Ontario. So I'd like some sort of answer—you're a smart man; GISA is a smart organization. Is that the right thing to do, to use just your data to base a wide-ranging policy change in Ontario—you don't have to look at Mr. Singh for the answer. You just answer me.

**Mr. Nurez Jiwani:** We know that our data is used by regulators across the country. We know that data is used by insurance companies, and we know that the data is used by others. So the data that we produce is important. We take care and make sure that the data is accurate, it's reliable and can be used for all of these various purposes.

**Mr. Jeff Yurek:** Is it wise just to use your data?

**Mr. Nurez Jiwani:** My understanding is that our data is used along with other information.

**Mr. Jeff Yurek:** But this decision right now—currently, your data is being touted as, "This is the reason why we need to change policy."

**Mr. Nurez Jiwani:** We know that our data is used by regulators and insurance companies, along with other information, in making decisions.

**Mr. Jeff Yurek:** Thank you, Chair.

**Mr. Jim McDonell:** I guess the point we're trying to make is that your data—we're not arguing the accuracy of the data you have, but unfortunately by nature your data is incomplete. It doesn't include—by the process that is set up—all of the losses that the insurance companies would expect to have received for last year. Although the profits look somewhat unreasonable, they aren't a snapshot of the profits for last year. We'll see that snapshot change as more and more information comes through and more and more court cases are addressed, which we expect will take likely years to do. I think that's the point we're trying to make.

Using this data—it's good data, but it's not complete. It's very limited and, in fact, is at the high point. As time goes by, we'll see that reduced down to whatever number that is. Being that there was a significant change last year in the rules, one can only guess at this point. There's no trend data to base that on. Would that be, I guess, a reasonable assumption to make?

**Mr. Nurez Jiwani:** As I said earlier, the claims data that we get—and there was a question about the accident year. Once a claim is made in an accident year, there is a projection—there are actuarial factors that are applied on claims that would come in on those particular claims in future years. So that is taken into account in our data.

**Mr. Jim McDonell:** Fiscally, but not in your actual data. Your data wouldn't include those future claims because they're only actual.

**Mr. Nurez Jiwani:** They're based on actual claims.

**Mr. Jim McDonell:** Okay.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Do you have any further questions? You still have approximately four minutes.

*Interjection.*

**The Vice-Chair (Mrs. Donna H. Cansfield):** Well, what we can do—I'm going to stop this for a second. What we can do, if you would like, is 10-minute rotations, then come back for five minutes. Would that be suitable?

**Mr. Jagmeet Singh:** That's fine.

**The Chair (Mrs. Donna H. Cansfield):** Okay. Let's do that. Then we can come back and just do 10-minute rotations, come back for five in case you've forgotten something you'd like to—

Mr. Singh, would you like to—

**Mr. Jagmeet Singh:** I have a point of order. I don't want to use my time up.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Certainly. No, you won't use your time on the point of order.

**Mr. Jagmeet Singh:** Thank you so much. I take issue with the suggestion that Mr. Jiwani was looking at me for an answer. I've never met Mr. Jiwani in my life, nor have I met any representative from GISA in my life. So the suggestion that he's looking to me for an answer—I take issue with that. He's not looking for an answer. I don't know him. I don't know what answer I would be able to provide to him. So I take issue with that, and I would like the record to show that I take issue with that comment.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you, Mr. Singh. I'm sure Mr. Yurek didn't mean any mal-intent.

Sir, we're going to go to rotation, to Mr. Singh.

**Mr. Nurez Jiwani:** Sure.

**Mr. Jagmeet Singh:** Thank you very much, sir, for attending today. It's a pleasure to meet you for the first time today.

I'm interested in a lot of what you said today. I'm going to take you through some scenarios. Based on whatever limitations you have, please feel free to answer my questions.

I'm going to read a statement from your website to frame my next questions. The statement is, "The statistical data collected provides information that is used in determining and reviewing rates as well as providing more insight into the costs of insurance. The data captured under the statistical plans is at a finer level of detail (e.g. average costs of claims and the number of claims) than that available through financial reports and is presented on an accident-year basis to allow for an appropriate matching of premiums and claims for determining and reviewing rates." That's a statement from your website?

**Mr. Nurez Jiwani:** That is correct.

**Mr. Jagmeet Singh:** And do you agree with that statement, that's that an accurate summary of what your institution does?

**Mr. Nurez Jiwani:** That's what we do.

**Mr. Jagmeet Singh:** Okay. Just to elaborate, the accident-year basis, the purpose for doing that, if I understand it correctly, is, it gives you an opportunity, year by year—so each year—to look at the cost of a claim and contrast that with the premium charged, so you can compare the two on a year-by-year basis. Is that loosely the purpose of having it by accident year?

**Mr. Nurez Jiwani:** That is accurate.

**Mr. Jagmeet Singh:** What that allows one to do is, if you're making decisions on premiums and claims, you have an accurate picture of what each year the costs were and each year what the premium coming in was. It gives you a picture of that year by year?

**Mr. Nurez Jiwani:** That's correct, and that's what's reflected in that statement on our website.

**Mr. Jagmeet Singh:** I'm going to read the next question now. Just to be clear, the data in your reports is the aggregated claims and premiums data that is contained in an individual company's rate application to FSCO. Is that what you understand?

**Mr. Nurez Jiwani:** The data that we produce is data that is submitted directly to us through our statistical service provider.

**Mr. Jagmeet Singh:** And is it also the same type of data, the aggregated claims and premiums data, that would be contained in an individual company's rate application? Each company makes a rate application to FSCO. Would it be the similar sort of data that you're collecting that a company would make in their rate application to FSCO?

**Mr. Nurez Jiwani:** I would not be able to comment on that because I'm not involved on that side of the work of FSCO.

**Mr. Jagmeet Singh:** Fair enough. Tell me if this is accurate, then. Disregarding that you're not sure what's in the rate applications for each company, looking at your claims data, this is the claims data that individual companies would have—each company would have data. You would receive that individual company's data, or would you receive data from all the companies at once?

**1510**

**Mr. Nurez Jiwani:** We receive data from all the 140 or so companies on an ongoing basis. As I mentioned, we have 80 million transactions coming in annually. On each policyholder, the premiums, the type of policy they have, the claims that are filed, all of that is submitted on an ongoing basis.

**Mr. Jagmeet Singh:** So on an ongoing basis you receive the entire picture of what a company's claims costs are and what their premiums are coming in?

**Mr. Nurez Jiwani:** That's correct.

**Mr. Jagmeet Singh:** I have another statement I'd like to read to you, and please let me know if you agree with this statement or not. It's a statement that an actuary we consulted provided to us: "The financial-year data used by OSFI will include a higher bulk of reserve than the more accurate accident-year data used by GISA. This error estimate contained in the bulk reserve used by the IBC studies does not have any relation to the actual claims costs and should not be considered as part of the claims when the more accurate estimate used in the GISA data is available."

Can you agree or disagree or have any comments with respect to that statement?

**Mr. Nurez Jiwani:** I can only speak to the GISA data. We don't make a comparison with, for example, the OSFI data. So I cannot comment on that particular statement.

**Mr. Jagmeet Singh:** Perhaps then you could frame it this way: If I want to compare the two data sets so that I understand what GISA means better, are you aware if, in your estimate or in your data, the way you process and analyze the GISA data, you use a different bulk reserve and a different estimate than OSFI would use?

**Mr. Nurez Jiwani:** Again, I'm not familiar with what OSFI uses. I can only speak to what we do, what our actuary does.

**Mr. Jagmeet Singh:** That's fine. I appreciate that. Can you compare the purpose of using accident-year versus using financial-year data? What difference would that result in?

**Mr. Nurez Jiwani:** I know that we use accident year, as is stated on our website, to allow for matching. So if a premium is paid in 2013 with a claim in 2013, which could go on for a number of years, then there's a matching of that claim against that premium. That's the reason we use accident year.

**Mr. Jagmeet Singh:** And what would be different if you used financial year data instead?

**Mr. Nurez Jiwani:** If you just used the claim for this year, then you haven't got all the claims that were paid on that particular accident if you just use this calendar year.

**Mr. Jagmeet Singh:** Okay. You may not be able to respond to this, given the fact that you're not in a position to comment on OSFI data, but perhaps you can provide some commentary; I'll ask you the question. Doesn't it follow that OSFI data that the IBC used in its studies on industry profitability includes a number of accounting procedures that reduced the value of claims and adjustments—accounting procedures not contained in your data? Can you respond to that question in any way?

**Mr. Nurez Jiwani:** I cannot comment because I don't know how OSFI calculates their information.

**Mr. Jagmeet Singh:** Are you aware of the accounting procedures used by OSFI at all?

**Mr. Nurez Jiwani:** I'm not.

**Mr. Jagmeet Singh:** If I described your data as the raw data and unaudited or not subject to accounting procedures, just the raw data of the claims and the premiums, would that be an accurate way of describing your data?

**Mr. Nurez Jiwani:** That would be accurate.

**Mr. Jagmeet Singh:** Okay. Would you agree with this statement: that if you reduce the value of claims payouts, this would reduce the underwriting profit?

**Mr. Nurez Jiwani:** I cannot comment on that.

**Mr. Jagmeet Singh:** In terms of your loss ratio report, last year it came out in late June or early July. Would that apply to this year as well?

**Mr. Nurez Jiwani:** Our report should be coming out in June or July, yes—for 2012.

**Mr. Jagmeet Singh:** For 2012; that's right. You would also agree that using that report would assist us in determining the premiums based on what your website indicates in terms of what that data is useful for, that looking at the report would help us moving forward in terms of reducing premiums or setting premium rates?

**Mr. Nurez Jiwani:** We know that our reports, as I mentioned before—the exhibits that we produce—are used by regulators, are used by the insurance companies. They're used for policy-making, as well.

**Mr. Jagmeet Singh:** Just to understand your data a bit more, would you be able to comment, from what you know—perhaps these insurance regulators that do use your data to set their premiums or to set policies—why do they use your data? Is there a reason that they have provided, or is there a reason that you are aware of why they use your data?

**Mr. Nurez Jiwani:** My understanding is that one of the uses of our data is—when they are reviewing rates that are filed by insurance companies, they use our data.

**Mr. Jagmeet Singh:** And why would they use your data to review the rates filed by companies?

**Mr. Nurez Jiwani:** I don't know exactly what they do with the data, but my understanding is that they use our data.

**Mr. Jagmeet Singh:** Using your data, would it be possible in addition, adding in revenue generated by investment or investment income, to come up with a raw form of profits that each company or the industry in general—it would provide a way to calculate a profit or a loss for the overall industry in any given jurisdiction.

**Mr. Nurez Jiwani:** With respect to profits, as I mentioned, at the moment, for a number of years, we have been collecting premium and claim data—

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you, sir. If you could just hold that thought for a moment, and we'll come back to it. Thank you, Mr. Singh. Mr. Balkissoon.

**Mr. Bas Balkissoon:** Thank you, Madam Chair, and thank you for being here. I have a couple of questions, and maybe my colleagues will jump in also.

I just want to clarify a couple of things. It might sound like it's repetition, but did I hear you clearly outline what type of data you collect? Are they coming from the individual 140 insurance companies?

**Mr. Nurez Jiwani:** The data we collect comes from each of the 140 or so insurance companies.

**Mr. Bas Balkissoon:** Can you give us a breakdown of what's in that data? So far I've just heard you say claims and premiums. That sounds very simple. I'm sure it's a lot more complex than that, so if you could give us a little breakdown.

**Mr. Nurez Jiwani:** They submit data on every policyholder—every insurance company, every policyholder. They submit data on the type of policy, the coverage, the premiums, the claims, the deductibles—a lot of information is filed by each company on each individual policyholder.

**Mr. Bas Balkissoon:** Do they file their administrative and operating costs also?

**Mr. Nurez Jiwani:** No. What we get is the actual premium and actual claims data.

**Mr. Bas Balkissoon:** The claim that you get—would it be just whatever they paid out that specific year? If a claim was to go over five years, because the first year they're dealing with medical, the second year with something else, and maybe the final payout is five years from today, how do you get that data? Is it in five different slots? How do you look at it?

**Mr. Nurez Jiwani:** The insurance company will submit the data on a claim. Then all of that data is processed by our statistical service provider, and we have an independent actuary that does do some actuarial work in terms of expected claims. As we discussed earlier, there could be an accident that happened this year where claims could be paid over five years, so based on previous experience and previous data, our actuary will provide a factor or factors—

**Mr. Bas Balkissoon:** So you'll bring it to the net present value of this current year, what you project it may cost.

**Mr. Nurez Jiwani:** What's projected is the work that's done by our actuary in terms of factoring, and that factor is applied by our statistical service provider.

**Mr. Bas Balkissoon:** Okay. So if the market is changing because policy changed, is your actuary actually taking those policy changes into place? I'll give you an example: This government changed its policy in 2010 in terms of claims and capping. How would that affect what you do?

**Mr. Nurez Jiwani:** The process that the actuary uses—I would not be familiar with that. That's actuarial work.

**1520**

**Mr. Bas Balkissoon:** Is there a possibility, then, because of that policy change in 2010, that you may not see the real impact of it unless you look at several years' data as we go forward, because you need to gain experience?

**Mr. Nurez Jiwani:** I cannot answer that question.

**Mr. Bas Balkissoon:** You cannot answer that question. Okay.

My colleague, go ahead.

**Mr. Mike Colle:** A lot of questions you won't answer or can't answer, and I'm not saying it's your fault. You're put in a very difficult situation here, because a lot of these are beyond your realm.

Just trying to explain how GISA functions, the insurance providers across Canada need you to do what? Why have they employed you or helped establish GISA? What's your purpose?

**Mr. Nurez Jiwani:** The sole purpose of GISA—and that's why, as you say, there are a number of questions which I cannot answer, because that's not within our role or our mandate. The sole purpose of GISA is, the insurance regulators have appointed us to collect this data, to process the data and report the data. That is the sole purpose of GISA.

**Mr. Mike Colle:** And then they need that data to do what? Why do they need that data?

**Mr. Nurez Jiwani:** As I mentioned before, my understanding is one of the uses they make, the insurance regulators, is when they review the rates that are filed by insurance companies, they use our data.

**Mr. Mike Colle:** In other words, depending on the number of claims made, the amount, that could affect what they charge in terms of premiums and so on. Is that, as a layperson, a good description?

**Mr. Nurez Jiwani:** Again, the process that the individual regulators use I am not familiar with. Even at FSCO, I'm not involved in that part of the work of FSCO. But just from a layman's point of view, the rates would be based on premiums and claims.

**Mr. Mike Colle:** And based on information, right?

**Mr. Nurez Jiwani:** Information—

**Mr. Mike Colle:** And you help gather that information?

**Mr. Nurez Jiwani:** Exactly.

**Mr. Mike Colle:** Did I hear you say that there are over 80 million transactions a year that come through GISA?

**Mr. Nurez Jiwani:** That's correct.

**Mr. Mike Colle:** That's 80 million?

**Mr. Nurez Jiwani:** Yes.

**Mr. Mike Colle:** How do you handle so many claims or so many pieces of data?

**Mr. Nurez Jiwani:** That's why we have retained a statistical service provider that has that expertise. They have the resources, they have the data and system specialists, and in the last five or so years they have actually gone through a renewal of their technology, which we have funded. So we've got the systems and the specialists to process this data.

**Mr. Mike Colle:** So these are like claims—what would be included in these 80 million transactions? I can't imagine there'd be 80 million. Give me an example of the most common transactions that you compile or what's been received.

**Mr. Nurez Jiwani:** Sabitha?

**Ms. Sabitha Kanagasabai:** These are mainly premium claim records, so it will include which company it's coming from, what effective date the policy is, vehicle information in terms of what the vehicle is used for, the operator in terms of male or female, age, group, years licensed, coverage limits, deductibles. It's a pretty extensive amount of information that is collected.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Excuse me, would you please introduce yourself for Hansard?

**Ms. Sabitha Kanagasabai:** I'm Sabitha Kanagasabai. I'm the statistical plan lead with GISA.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much.

**Mr. Mike Colle:** Just one last question here before I pass it on. So, for instance, when you get a violation there, you lose some points as a driver. Would you also see that kind of information passed on to you? Because that has an impact on your premium and can raise your rates if you lose a point.

**Ms. Sabitha Kanagasabai:** There is information around driving records, yet there are—someone can be categorized as 0 to 7, so that information is included.

**Mr. Mike Colle:** Okay, I'll just pass it back to my colleague.

**Mr. Rick Bartolucci:** Thank you for your slide presentation. We'll spend some time reading it.

I don't know a whole lot about insurance statistical data, but I'm realizing that there are two bodies that really do it extensively: you and OSFI. What is the difference between your data, or are they the same? Secondly, how is the data accumulated by you and OSFI?

**Mr. Nurez Jiwani:** I can only speak to our data and how it's accumulated. Our data, as I mentioned before, is raw data that comes on every policyholder, every premium, every claim from every insurance company. We collect all of this information on an ongoing basis. Based on all the data that we collect, we produce these exhibits which are used by regulators and insurance companies. Exactly what OSFI collects and how they process and what they do, I'm not familiar with.

**Mr. Rick Bartolucci:** So you're not familiar with how your data differs from OSFI.

**Mr. Nurez Jiwani:** No.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you, Mr. Jiwani. We'll hold that thought too, and we'll go for our second rotation. Mr. Yurek.

**Mr. Jeff Yurek:** You guys set the data, so your data comes in, you make these charts and you just provide them for other places to use. Is that basically it?

**Mr. Nurez Jiwani:** That's right.

**Mr. Jeff Yurek:** So your data is only as good—I'm saying your data is good, by the way, but its limitation is the amount of data you are receiving.

**Mr. Nurez Jiwani:** We are collecting, processing and reporting, that's right. What we report on is the data that we collect.

**Mr. Jeff Yurek:** So the case from arbitration last month that has been arbitrated and has changed the precedent and cost factor hasn't been accounted for yet because you didn't know about it? The 14,000 cases in mediation or arbitration which have yet to be heard can affect, when they go through a year or two from now, your cost factors that you put up this year and the last year. Is that true?

**Mr. Nurez Jiwani:** Again, I cannot comment on that. Our job is to report on the data that is collected.

**Mr. Jeff Yurek:** Okay, I'm good. Thank you.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Do you have any further questions? No? Thank you very much.

Please, Mr. Singh.

**Mr. Jagmeet Singh:** Do you recall the last question we left off on? I kind of drew a blank. I don't know if you made a note of it. You were about to answer it, but our time ended. Do you recall that question?

**Mr. Nurez Jiwani:** I believe you were asking about profits.

**Mr. Jagmeet Singh:** Right.

**Mr. Nurez Jiwani:** What I was about to say was that the data that we've been collecting is on premiums and claims. Just starting this March, we have started collecting information on profits and expenses. The reports on that data are expected to come out late this summer.

**Mr. Jagmeet Singh:** Okay, so that's a separate report that would be on profits and expenses?

**Mr. Nurez Jiwani:** That's correct.

**Mr. Jagmeet Singh:** Would that be for all previous years or just for one previous year?

**Mr. Nurez Jiwani:** Just for 2012, because that's when we started collecting it.

**Mr. Jagmeet Singh:** For 2012. Okay. That's very interesting. In that, do you take into consideration income or revenue from investment income? Sabitha? Yes?

**Ms. Sabitha Kanagasabai:** Yes, that's part of the information.

**Mr. Jagmeet Singh:** Wonderful. That's great. I'm really looking forward to hearing that, then.

Can you explain to me what a loss ratio is? In GISA's analysis, what would a loss ratio be?

**Ms. Sabitha Kanagasabai:** Let me pull up the—

**Mr. Jagmeet Singh:** In the meantime, I'll give you a scenario. What your data does is that, year by year, if there is a change in the arbitration decisions, if there is anything that occurs, the changes that flow from that will show up in data in the form of claims and premiums. If the claims increase from one year to the next, you will report that as it increases. So you provide a year-by-year snapshot of what's happening in terms of costs and what's happening in terms of income coming in in terms of each insurance company that operates in the province of Ontario. Is that correct?

**1530**

**Mr. Nurez Jiwani:** Yes. We report on claims that are actually what's reported to us from insurance companies on claims that they have paid.

**Mr. Jagmeet Singh:** This backlog that has been referred to has existed for a number of years. Each year, whatever data you're provided with, as this backlog of cases in arbitration is being resolved, whatever the data are from that, whatever the costs are, they would be reported to GISA because every cost on the claims side is reported to GISA.

**Mr. Nurez Jiwani:** As claims are incurred, they would be reported to us and they would become part of our data.

**Mr. Jagmeet Singh:** My apologies, I don't remember your last name, so I'll say Sabitha. My apologies for not giving you your proper title. Did you have an answer to that question?

**Ms. Sabitha Kanagasabai:** I actually don't have the document with me. We do have specific definitions for all these terms.

**Mr. Jagmeet Singh:** Would you be able to describe to me what a loss ratio is, just in layman's terms perhaps?

**Mr. Mike Colle:** It's in the definitions, I'm sure.

**Mr. Jagmeet Singh:** Would you be able to just describe it for me, just loosely?

**Ms. Sabitha Kanagasabai:** I may not be the best person.

**Mr. Jagmeet Singh:** Or your colleague, perhaps—what a loss ratio is?

**Mr. Nurez Jiwani:** My understanding is that a loss ratio would be the total claims over the premiums.

**Mr. Jagmeet Singh:** That's what I understood it to be, more or less. Maybe there's more technical language to that, but that's my understanding.

If it's a negative number, that means there has been a loss for that year, and if it's a positive number, there has not been a loss. Am I describing that loosely as correct? Less than—sorry, not a negative number. Less than one would be a loss and above one would be not a loss, I guess. Is that correct?

**Mr. Nurez Jiwani:** That's correct.

**Mr. Jagmeet Singh:** And would you agree that there's been an above-one loss ratio for 2011—the 2011 data?

**Mr. Nurez Jiwani:** We produce a lot of data, so I'm not sure which exact data you're referring to. We produce data for all the provinces.

**Mr. Jagmeet Singh:** For Ontario 2011, what is the loss ratio? A better way to put it: What is the loss ratio for 2011 in Ontario?

**Mr. Nurez Jiwani:** I don't have that information.

**Mr. Jagmeet Singh:** I'm sure you could table that with us.

**Mr. Nurez Jiwani:** Yes.

**Mr. Jagmeet Singh:** Okay.

**Mr. Nurez Jiwani:** It's part of our exhibits. We can provide it.

**Mr. Jagmeet Singh:** Sure. I'm sure we actually have that, anyway.

Going back to—

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much, Mr. Singh.

**Mr. Jagmeet Singh:** Sure. Thanks.

**The Chair (Mrs. Donna H. Cansfield):** Mr. Balkissoon?

**Mr. Bas Balkissoon:** Thank you, Madam Chair. I'm going to go back to my previous line of questioning. I want to get back to the claims that could go over an extended period of time. You did say that your actuaries would calculate and forecast what that payout could be on a go-forward basis. Can I assume, then, that your data is raw data with some assumptions in it, because you're actually calculating the go-forward cost?

**Mr. Nurez Jiwani:** Because we're trying to match premiums against claims, our data would include a projection on the claims based on actuarial factors that our independent actuary would provide on future claims.

**Mr. Bas Balkissoon:** So then, I'll go back to what I said. Therefore, your data is not 100% raw data. It's raw data plus.

**Mr. Nurez Jiwani:** It's raw data with actuarial factors applied for expected claims.

**Mr. Bas Balkissoon:** With actuarial projections.

**Mr. Nurez Jiwani:** That's correct.

**Mr. Bas Balkissoon:** Okay. So it is the best guess of your actuaries on what is going to happen to the industry on a go-forward basis. In a change-in-policy environment, that could affect your data significantly. As an example, what this government did in 2010, which has significantly reduced some of the major claims, how many years' experience would you require under this new scenario before your actuaries can, say, project it better, because so far, you've only had one year experience?

**Mr. Nurez Jiwani:** The factors that our actuary calculates and how the actuary does that, that's an expertise that I don't have, so that would be a question for our actuary.

**Mr. Bas Balkissoon:** If I go back to Mr. Singh's question about loss ratio, I want you to clarify again to me so I understand what is loss ratio prior to 2012, because you were not collecting an insurance company's operating and administrative costs. So was it strictly claims against premiums that you're using as a loss ratio calculation—profit-loss ratio calculation?

**Mr. Nurez Jiwani:** That is correct, yes.

**Mr. Bas Balkissoon:** So again, that cannot be 100% accurate in terms of the company's real expenses in that particular sector.

**Mr. Nurez Jiwani:** Yes. Our data is based on the data that is submitted to us on premiums and claims.

**Mr. Bas Balkissoon:** Right.

**Mr. Nurez Jiwani:** As far as operating expenses—

**Mr. Bas Balkissoon:** You don't have that.

**Mr. Nurez Jiwani:** We don't have that.

**Mr. Bas Balkissoon:** Okay. Thank you.

**Mr. Mike Colle:** Again, I just want to clarify: OSFI has a totally different function than your organization, right? I know people keep comparing the two, but essentially they're the financial services superintendent for the federal government, right?

**Mr. Nurez Jiwani:** OSFI is a federal regulator, and their focus is the solvency of companies.

**Mr. Mike Colle:** Whereas you are a not-for-profit company established by the insurance regulators to get data?

**Mr. Nurez Jiwani:** That's correct.

**Mr. Mike Colle:** So there's totally two different mandates, two different functions, because OSFI is basically trying to make sure that the insurance companies are solvent, that they're not overextended, right? So you don't really have any role in looking at the over-extension of insurance companies or their financial liabilities. You're basically providing them with the data, and then it's up to them to determine what they're going to do with that data to keep their business operations going.

**Mr. Nurez Jiwani:** Yes. I think to make the comparison, OSFI is a regulator. It's a solvency regulator. It's a federal regulator. We are simply a collector of data. We collect, process and report on data.

**Mr. Mike Colle:** OSFI's obvious interest is in making sure that these insurance companies are not going to go under and go belly up, which they have in the past, and so it protects the consumer to ensure that if they're going to pay premiums, that company that's taking their premiums is going to be financially solvent—

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much.

**Mr. Mike Colle:** I'll hold that thought.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much for your presentation. It was very enlightening.

**Mr. Nurez Jiwani:** You're welcome.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Do you have a business card that we could have, please?

*Interjection.*

**The Vice-Chair (Mrs. Donna H. Cansfield):** A business card. We just need a business card from—do both of you have one for your names?

And if we could have the next delegation, please.

**Mr. Mike Colle:** Thank you very much—

**The Vice-Chair (Mrs. Donna H. Cansfield):** Yes, thank you.

**Mr. Nurez Jiwani:** Thank you.

*Interjection.*

**The Vice-Chair (Mrs. Donna H. Cansfield):** Yes, the whip's here. Off you go. It may be warmer out there.

Here they come. They're running in.

## FINANCIAL SERVICES COMMISSION OF ONTARIO

**The Vice-Chair (Mrs. Donna H. Cansfield):** Our next presenter is the Financial Services Commission of Ontario, FSCO. If I'm correct, it's Darlene Hall, director of the auto insurance services bureau, and Bruce Green, senior manager, rates and classifications.

Thank you very much. You have 10 minutes for your presentations. I'll give you a heads-up at nine, and then we'll start the rotation with Mr. Singh on the 10-minute rotation. Mr. Singh, you'll start? Thank you very much.

Please proceed.

**1540**

**Ms. Darlene Hall:** Thank you, Madam Chair. I'm pleased to have the opportunity to present today. My name is Darlene Hall. I'm the director of the automobile insurance services branch at the Financial Services Commission of Ontario. With me today is Bruce Green. He's the senior manager of rates and classifications.

The Financial Services Commission of Ontario has been invited here today to make a presentation on taxi insurance. Specifically, the committee has requested to hear from staff that have the expertise in insurance for the taxi industry. As I will outline for you, the Financial Services Commission of Ontario actually has a very limited role in this respect.

The Financial Services Commission of Ontario regulates auto insurance in Ontario, as set out in legislation. The automobile insurance services branch does have a mandate to review the rates filed by auto insurance companies, in accordance with legislation.

Total premiums for all categories of automobile insurance in Ontario were approximately $12 billion in 2011. Taxi insurance, which also includes insurance on limousines, is a specialty market that was offered through 14 insurance companies in 2011, based on data reported to the General Insurance Statistical Agency.

In 2011, again based on data from the General Insurance Statistical Agency, there was $58 million in written premiums for taxis, and of that total, $50 million, or 86%, was classified as fleet.

Insurance companies are required to file rates for individually rated or non-fleet insurance with the Financial Services Commission of Ontario. However, fleet insurance is not subject to rate regulation, and as noted, a substantial proportion of the taxi market is written as fleets.

A fleet is defined as five or more vehicles under common ownership or management and used for commercial or public purposes. In general, fleets are operated by commercial operations, and they're often large purchasers of insurance.

The fleet is a discrete risk exposure whose experience and characteristics can be monitored and rated. The claims experience of the fleet will be affected by the actions of the owner or manager, who has a strong incentive to ensure that risk management programs are in place.

Insurance companies are not required to file the rates with FSCO that they charge for fleets, as it would be impractical to do so. Fleets are rated based on historical claims, experience of the fleet and the claims ratio of the fleet. Each business enters into an agreement with an insurance company that would specifically set out the risk management and loss prevention program that the business has in place, and the rates charged would depend upon the program and claims experience of the fleet.

Due to the nature of the taxi business, there are high claims costs associated with taxi insurance, and this line of business is considered higher risk than other types of auto insurance. Factors contributing to the higher risk of taxi insurance include:

—the number of hours the vehicles are on the road; for example, some vehicles are on the road 24 hours a day;

—the number of drivers using the vehicle;

—drivers who may have poor driving experience; for example, a high number of at-fault accidents and driving convictions;

—drivers who may not be experienced;

—drivers who temporarily use the vehicle rather than the regular licensed driver; and

—additional exposure to claims from the passengers who hire the taxi.

In addition, the taxi market has some unique features where it is subject to municipal licensing processes, and some municipalities have their own requirements. The taxi plate owner may be different than the owner of the taxi, and that person may be different than the actual driver or drivers of the taxi.

In addition to those insurers that offer taxi insurance, insurance is also available through the Facility Association. The purpose of the Facility Association is to ensure that insurance is available to all who require it.

Based on statistics from the general insurance statistical agency, the Facility Association had about $2.5 million in written premiums in 2011, or about 4% of the Ontario taxi market by written premium. In some other provinces, the Facility Association is the major writer for taxis.

Over the past several years, the taxi insurance market has been relatively stable in Ontario. Some insurers have worked with organized taxi cab groups and associations to provide insurance programs for taxi fleets. These programs have been able to provide additional choices for taxis when it comes to insurance.

We understand that one such program, through the Taxi and Limousine Drivers Association, has been recently terminated in Ontario by the insurer. As a result, some of the taxis previously insured through this program are looking for alternative markets.

We further understand that the insurance industry is currently exploring ways to fill in the gap created by the termination of this program.

As mentioned, FSCO has a limited role with respect to the taxi market, particularly as most of the business is written through fleet programs.

Thank you for the opportunity to present to the committee today, and we look forward to any questions you may have.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much for your presentation. We'll start with Mr. Singh.

**Mr. Jagmeet Singh:** Thank you. Just so I understand the presentation, with respect to the individual—just turning your mind again to the question of insurance for taxis or limousines, there's $58 million written in premiums and the majority of that, $50 million of that, was for fleet. I have that correct so far?

**Ms. Darlene Hall:** Yes.

**Mr. Jagmeet Singh:** And the fleet is not something that's regulated by FSCO. Fleet insurance, that's commercial insurance and that's not regulated by FSCO?

**Ms. Darlene Hall:** Yes. So the rates charged on that are not regulated by FSCO.

**Mr. Jagmeet Singh:** And then the other $8 million, I assume, is regulated by FSCO?

**Ms. Darlene Hall:** Yes.

**Mr. Jagmeet Singh:** Okay. The issue we were concerned about is the Hamilton scenario, where all the drivers in Hamilton have been put into Facility. That's because they're fleet and that fleet was being provided by a company called Arch Insurance, I believe. Arch Insurance is no longer writing, and so that means there is basically no one left to write for that fleet insurance. Your understanding is that there are a lot of jurisdictions where Facility provides the insurance for taxis or limousines?

**Ms. Darlene Hall:** Yes, that's my understanding. I also believe that the program that you mentioned that was insured through Arch, that is, the Taxi and Limousine Drivers Association program, I think they are trying to find another market at this point in time for that.

**Mr. Jagmeet Singh:** Now, I don't know if this makes any sense, and I'm just going to throw it out there, but is there a way for a company to have their drivers insure themselves on an individual basis instead of having them insured under a fleet? Is that an option?

**Ms. Darlene Hall:** I guess, depending on the taxi owner, if it's the taxi owner who's looking for insurance, they could potentially try and just insure their own vehicle themselves as opposed to going through an association or program.

**Mr. Jagmeet Singh:** But if they're working as an employee for a fleet, that wouldn't be an option?

**Ms. Darlene Hall:** I don't believe that would be the case, yes. They would have to follow whatever the fleet—however the fleet decides to insure the vehicle.

**Mr. Jagmeet Singh:** Is there any role that FSCO could play in assisting to get coverage for those folks? Because it affects their livelihood and their ability to get insured. Any sort of solutions that you can think of?

**Ms. Darlene Hall:** I mean, we're open to the fact that if a company wants to and if it needs to file rates with us, obviously we're there in terms of that process, in terms of filing rates. It's really essentially an issue between the insurance industry and, I guess, the program that's looking for insurance. If there's a way that FSCO could assist, it would, but it needs to be—I mean, it's the market that needs to provide the insurance. We can't force insurance companies to provide that market.

**1550**

**Mr. Jagmeet Singh:** Sure. Okay. Are you familiar with the statutory accident benefit payouts year by year? Can I ask you some questions about that?

**Ms. Darlene Hall:** I don't have stats in front of me, but you can, sure.

**Mr. Jagmeet Singh:** I'll start broadly and if I get to something too specific, then you can let me know that you don't have that specific number in front of you.

Turning your mind to 2010, before 2010 the climate was completely different in terms of claims and losses,. From 2010 onwards, so post-2010, post the reforms or the changes that cut the benefits and changed the way the lay of the land was, would you agree with me that there was a significant drop in terms of costs to insurance companies in the form of claims, that statutory accident benefit payouts dropped by a lot, broadly?

**Ms. Darlene Hall:** I have some familiarity with the GISA statistics, so the accident year results show there was a drop in terms of statutory accident benefits.

**Mr. Jagmeet Singh:** And I understand that in one year, from 2010 to 2011, that was about a 50% drop? It dropped from $3.92 billion to $1.96 billion. Do you have something like that that you can back up—basically, it dropped in half?

**Ms. Darlene Hall:** There was a substantial reduction in the accident benefits costs for that one year. I know that.

**Mr. Jagmeet Singh:** And would you be able to approximate that as about a 50% drop, or you don't have that number in front of you?

**Ms. Darlene Hall:** I don't actually have it right in front of me, but I know that in the GISA statistics it would show the actual dollar cost for that accident year for accident benefits.

**Mr. Jagmeet Singh:** Sure. And do you know if there was—I'm looking at one of the decks that was presented by FSCO, and I'm just reviewing it, just to put it on the record. From 2010 to 2011 in the GTA, it looks like the drop was even more significant; it was about 70% in terms of the drop. Would you be able to corroborate that?

**Ms. Darlene Hall:** I don't have the numbers in front of me, but I know that based on what I've seen from the anti-fraud task force report, there was a significant buildup in claims costs pre-reform. So I would expect that drops would have been in the GTA post-reform, but I don't have those numbers in front of me.

**Mr. Jagmeet Singh:** Okay, that's fair. But would you agree generally with the idea that, perhaps because the claims were already higher in the GTA, the drops after 2010 were actually more in the GTA than anywhere else in Ontario? Does that make sense with what you—

**Ms. Darlene Hall:** I would think that that's logical, but I don't have numbers in front of me.

**Mr. Jagmeet Singh:** That's fair. If I wanted to ask you some questions about the premiums coming in and then the claims costs going out, do you have those separate numbers in front of you, if I wanted to ask you questions on that?

**Ms. Darlene Hall:** I guess what I have in front of me is FSCO's submission to the committee, April 15. I don't know if those are the numbers that you might be asking.

**Mr. Jagmeet Singh:** Perhaps. Do you have something along the lines of the premiums coming in in 2011? I have approximately $10 billion of premiums coming in. Do you have that number?

**Ms. Darlene Hall:** Yes, $10 billion is accurate.

**Mr. Jagmeet Singh:** Okay. And then payouts in 2011, I get $6.5 billion. Is that what you have?

**Mr. Bruce Green:** Sorry?

**Mr. Jagmeet Singh:** Benefit payouts of $6.5 billion for 2011; do you have that number in front of you?

**Ms. Darlene Hall:** Yes, I'm able to confirm the $6.5 billion.

**Mr. Jagmeet Singh:** Excellent. And other expenses of about $2.7 billion; do you have that?

**Ms. Darlene Hall:** Is that an estimate or—I'm not sure—

**Mr. Jagmeet Singh:** That's an estimate that I think you should have, if I'm not mistaken. You should have that from GISA or some other form—I'm pretty sure FSCO should have it. If you do or don't, I'm just wondering. You don't have that? Okay.

**Ms. Darlene Hall:** Is it general expenses you're referring to or—

**Mr. Jagmeet Singh:** Yes, other expenses. General expenses, yes.

**Ms. Darlene Hall:** Which is around 25% of premium. Is that—

**Mr. Jagmeet Singh:** That sounds about right. So if it's 25% of premium, the $2.7 billion sounds—about 25%? It's a bit higher, actually. I've estimated it at maybe 2% higher. Does that make sense, then?

**Ms. Darlene Hall:** Yes.

**Mr. Jagmeet Singh:** Okay. So then underwriting profit, just doing the simple math on that, is $800 million, if we subtract all that up—you can take my word for it. If we take the $10 billion in premiums coming in, the $6.5 billion and the approximately 25%, or $2.7 billion, of general expenses, I get about $800 million of underwriting profit. Would you agree with that, generally?

**Ms. Darlene Hall:** Yes, that would seem to correspond to the numbers that you have laid out.

**Mr. Jagmeet Singh:** Okay.

**Ms. Darlene Hall:** And that's on an accident-year—

**Mr. Jagmeet Singh:** On an accident-year basis, yes. And then the KMPG study—this you may not have in front of you, but the KPMG study released said that the net investment income for 2011 in their report was $1.1 billion. Do you have any information to correspond with that? That's a KPMG report, so you may not have that.

**Ms. Darlene Hall:** I can't really speak to the investment income.

**Mr. Jagmeet Singh:** But if we rely on their report, $1.1 billion plus $800 million—that's $1.9 billion, approximately, of profit, if we rely on the KPMG report. Does that make sense?

**Ms. Darlene Hall:** In terms of looking at profit on an accident-year basis, I think you have to be really careful, because of some of the earlier comments that the claims costs can change. They are very much estimates; the most recent accident year will have even more uncertainty than other accident years, so I think that in terms of profit per se, it's usually done on a basis of financial statements, not accident-year information. I think that in terms of any kind of estimate you come up with, you have to exercise a significant degree of caution, because it's only after claims are ultimately all paid out that you really know what the number is. With accident-year data, that can take quite a while.

**Mr. Jagmeet Singh:** Right. So that's one of the pros or cons to accident year. Some would say that that gives you a more accurate picture year by year, and some would say, as you're saying, that you don't know the exact costs until they come up. But—

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much, Mr. Singh. Mr. Balkissoon? Mr. Colle?

**Mr. Mike Colle:** Yes, I've been holding a few thoughts here. The question I have is, in the public auto jurisdictions, are fleets or taxi associations covered in Facility, or is there a special program they have in the public auto provinces?

**Ms. Darlene Hall:** I'm not familiar with the public auto provinces, other than to say that the Facility Association does not operate in the public auto provinces, as far as I know.

**Mr. Mike Colle:** If we could find out, perhaps, through research, what they do in the public auto jurisdictions for fleet coverage or taxi coverage, I'd like to get that, because we're looking at ways of maybe helping to deal with this situation in a few parts of the province.

Is there any reason why this acute situation happened in Hamilton with the taxis, rather than other parts of the province? What happened in Hamilton was that basically the one company that was providing it walked away.

**Ms. Darlene Hall:** I can't really say, other than that I believe this was through the association's program. If, in fact, the association had a substantial majority of taxis in Hamilton, then you'd have that situation, but I can't really say. I don't know all of the details of all of the taxis in Hamilton and where exactly they were written, but—

**Mr. Mike Colle:** So is it the responsibility of the licence owner to try and obtain fleet insurance? I know that in Toronto, for instance, you have some individuals that own 50 or 100 licences. What do they do in Toronto in that situation?

**Ms. Darlene Hall:** I'm not familiar with all of the various ways the programs have been set up, because it is on a fleet basis, but I know that in certain cases they may have a common manager that tries to ensure that the taxi, the taxi association or the program has appropriate loss management programs in place, and education programs, so that any of the taxis that are part of that fleet could obtain cheaper insurance because they can demonstrate that they have effective risk management programs in place.

**Mr. Mike Colle:** And in Hamilton, where, as I think someone mentioned, there was a series of third party claims that occurred—in other words, that would be a passenger in the vehicle claiming—

**Mr. Bas Balkissoon:** No, it's another vehicle.

**Mr. Mike Colle:** —another vehicle instead—I'm just wondering, do you know anything about that?

**Ms. Darlene Hall:** Not really, other than that if the persons in the vehicle who have hired the taxi do not have their own insurance, obviously, it would be a claim against the taxi insurance, so I can't really provide too many more details on that.

**1600**

**Mr. Mike Colle:** And I guess the question is if the person who's filing a claim, who claims to be injured in a taxicab, could then sue not only the cab licence holder, but could also possibly sue the cab driver individually. Do you know anything about that?

**Ms. Darlene Hall:** I can't really expand on that. I wasn't sure that they could sue the person individually. I would have thought it was covered by the taxi insurance policy.

**Mr. Mike Colle:** In terms of Facility, what I'd like to get—and this is one of the good news stories, actually, that never gets told. I know, at one time, back in the turn of the century, I think there were about 200,000 drivers in Facility. Right now, how many drivers are in Facility?

**Ms. Darlene Hall:** I think for private passenger auto, there are fewer than 5,000 vehicles in the Facility, so it's down substantially from 2003.

**Mr. Mike Colle:** And why has this dramatic change taken place? Because in Facility, I remember, people used to complain—remember?—they were paying $10,000 a year, and everybody was being shoved into Facility and paying huge, huge premiums. So why the continued ability to keep the numbers low in Facility? There's more competition, more product? What's the—

**Ms. Darlene Hall:** Yes, I think the huge size of the Facility was immediately pre-reforms in 2003, and I think since then the market's stabilized, so you have fewer drivers in Facility, so there appears more capacity in the voluntary market, and it's stayed that way.

**Mr. Mike Colle:** And has FSCO ever looked at the whole issue of points? I know that a lot of drivers are saying their rates may be affected by a minor rolling at a stop sign, and they lose a couple of points. Yet they could see losing points if they're driving high speeds or—I think there are points for that. But has there ever been a review of the points system? When's the last time we looked at the points system? Because that impacts your rates dramatically. When's the last time you did a review of the points system and how it affects auto insurance?

**Ms. Darlene Hall:** The points system itself is the responsibility of the Ministry of Transportation. But in terms of companies, they do have minor convictions, which would include rolling at the stop sign, and they have major and they have serious. So there are various categories of types of convictions that will impact the rates. It's something that, I guess, has been established by the insurance companies. If MTO assigns the same points for one type of conviction as another, they may treat both as minor. But I know they have different categories of convictions in terms of if someone is speeding excessively compared to slightly over the speed limit. I think they've categorized things that way, so they will have distinguished, to a certain extent, based on the severity of the infraction.

**Mr. Mike Colle:** If I could just ask for research to ask MTO, or whoever's responsible, to look at the last time they did a review of the points system and if it's been updated in recent years or has it been the same all these times, and a basic, perhaps, rundown of the points system. That would be helpful, if that's possible. Nothing too elaborate, but just a basic overview just to see where they're at in terms of being up to date and any changes and so forth. Thank you.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Mr. Balkissoon?

**Mr. Bas Balkissoon:** I just want to go back to the—because I'm having difficulty in the taxi industry. What is a fleet? What is a company? What is a dispatcher? Because in the Toronto area, based on my experience, there are independent taxi drivers; there's an Ambassador taxi, which is an individual owner, again; and then there are those who own what you will call five or more plates. Where does the independent owner go, and where does the Ambassador owner go? They're just one taxi, and they hire a dispatch company that they can work through.

**Ms. Darlene Hall:** I'm not sure that I can answer that question because, I guess, from our perspective we have the fleet definition that's set out in regulation, so we're just responsible for that side of things. It may be that someone from the city of Toronto can talk about how—

**Mr. Bas Balkissoon:** No, but if I'm an independent plate owner, I can work with a taxi company, but I would have to find insurance. I'm just one taxi, so I can't go to what you describe as fleet. Where do I go? Do you know?

**Ms. Darlene Hall:** Well, I believe in certain cases, they've joined together through an association, and there could be situations where you have someone who has a plate or has multiple plates and could qualify as a fleet.

**Mr. Bas Balkissoon:** So in comparison, that person cannot go to an insurance company that would provide me, a regular policyholder like myself, who's not a taxi. Do I understand it correctly?

**Mr. Bruce Green:** If I understand your question, sir, you have your fleet, but there are other insurance companies that write commercial stand-alone vehicles—

**Mr. Bas Balkissoon:** So they have to buy a commercial—

**Mr. Bruce Green:** —so there is a market for that.

**Mr. Bas Balkissoon:** Okay.

**Mr. Bruce Green:** The majority of taxis happen to be the fleet business and not individually rated.

**Mr. Bas Balkissoon:** Okay. Since we've got no-fault insurance in the province—and I think this is what the Hamilton taxi company was explaining to us—it's a lot of individual passenger vehicles that they collide with or whatever that the claims are coming from those policyholders. How does that get transferred to the company that is carrying fleet?

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much. That will be a question for your next round.

*Interjection.*

**The Vice-Chair (Mrs. Donna H. Cansfield):** It's a great question. Please go ahead.

**Mr. Todd Smith:** Thank you for coming in again today. Our previous guests that we had here from GISA were having some difficulty explaining the differences—before I get to the taxi situation—between the services that they provide at GISA and what OSFI provides. Being FSCO, can you explain to us what the difference is between GISA and OSFI?

**Ms. Darlene Hall:** I think there was some mention that, of course, OSFI is the federal regulator for solvency purposes. They have a number of standards for companies need to make sure that they stay solvent. Insurance companies are required to file annual returns of their financial results with OSFI. They're also required to have a report of the actuary attesting to the claims liabilities that insurance companies provide to OSFI as well, to make sure that the company stays solvent. So they have, obviously, a specific role as a regulator.

GISA itself is an agency that collects statistics on behalf of the superintendents of the various provinces as well as the territories. It's basically a gatherer of data. It collects the statistics, and it produces the exhibits that are then published. It's very much a different function. GISA is not a regulator.

**Mr. Todd Smith:** I think it was described several times that the GISA data is raw data. The OSFI data, when you're determining solvency and the value of a company or the profitability of a company, would it not be more valuable data than GISA data?

**Ms. Darlene Hall:** Yes. For purposes of solvency and assessing the financial results of a company, it is the data that OSFI collects. There is, I think, in the superintendent's report a little bit of discussion about financial results. It is the financial statement data that's collected by OSFI that's relevant for looking at profitability and then OSFI's role on the solvency side as well, in terms of financial statements and capital adequacy and those sorts of things.

**1610**

**Mr. Todd Smith:** Sure. To the Hamilton situation, there was the one company, as we've identified already here this afternoon, that decided that it was going to pull out of the taxi business in Hamilton. Can you explain to me why, in your opinion, a company would pull out of such a deal?

**Ms. Darlene Hall:** I don't know all the specifics of that company. Whether it felt that how it had priced the business was not appropriate, I don't really know. I know it's a US-based company. I don't know all the reasons why it decided to discontinue that program.

**Mr. Todd Smith:** It probably wasn't making money, though. That would be a logical—

**Mr. John O'Toole:** I'd check with OSFI.

**Mr. Todd Smith:** I guess we would have to check with them.

I know the Insurance Bureau of Canada and the Insurance Brokers Association of Ontario met back earlier this winter and discussed this situation, not just in the Hamilton area but also in the greater Toronto area, and the insurers indicated that they had withdrawn from the taxi fleet market for a number of different reasons, but significant fraud was one. High claims costs, an above-average chance of catastrophic losses in the accidents and claims involving the taxi companies—they are on the record as saying that's a reason why.

John O'Toole is with me as well. John, you wanted to follow up on something as well?

**Mr. John O'Toole:** Yes. I'd hate to change topics, dropping in here, but it was mentioned by my colleague on the other side—the Facility. I thought today that every company that sells insurance on the market has to contribute to the Facility group. If they don't take the high-risk, they have to pay a premium. Is that a wrong understanding?

**Ms. Darlene Hall:** I guess the way the Facility Association works, it is an association—

*Interjection.*

**Ms. Darlene Hall:** It's a pooling mechanism. Any premiums of the Facility Association get shared back to the industry, as do any of the claims costs. Facility itself actually has a residual market segment and a risk-sharing pool segment, so the residual market or the high-risk drivers that are charged more. The risk-sharing pool—the consumers that have been seeded to that pool are charged the regular insurance company rates, but for whatever reason the company feels that it's higher risk, and so it will seed to the risk-sharing pool. Then the results, again, of that risk-sharing pool are shared amongst the industry itself.

**Mr. John O'Toole:** I think of insurance—because it's a topic of the budget and the reason you're here, I suppose—as a tax, technically. You have to have people to provide those services or those risk contracts or whatever, and that's because it's actually mandatory. You can't drive without it, so it's mandatory. Government is stuck with the problem of keeping it affordable, accessible and enforceable.

When you look at it, now you see that the market itself is broken. The symptoms are there. When you look at—you reduced SABS, the accident benefits schedule—we have the highest in Canada, I think. You go to tort immediately, meaning it drives the cost up to the consumer. Really, they have to have a lot of money to pursue a suit. Is there anything you could add to my lack of understanding of that marketplace? Because it really is important.

First of all, you can't work without it; basically, you need to get there. Usually, in my part of the country and on Mr. Smith's side, transit isn't exactly the answer to everything—it's important—so you have to drive. And if you—it's unaffordable, as we see—not just a taxi; I hear it from lots of people. What can you tell me to help me weather through this debate on keeping it an affordable, accessible tax—not tax; insurance premiums. It's a tax. By any measure, it's a tax.

**Ms. Darlene Hall:** I think when the superintendent of FSCO was here he talked about the fact that you need to look at the underlying cost-drivers to really get at how to deal with the system, but I know that a lot of work has gone in on the anti-fraud side to address the fundamentals of the system there—

**Mr. John O'Toole:** Okay. Look, that's a market condition. Fraud is one of the symptoms of a failed system—it can't even enforce. The insurance companies, on their side, I'm told, rather than go to court and the long, expensive and tangled process and resources, just pay these claims that are $5,000 or $10,000 to get rid of them. Is that true or is that another misconception I have?

**Ms. Darlene Hall:** Well, I don't know, Bruce, if you want to mention the attestation from insurance companies, but we did ask companies to look at their claims practices.

**Mr. Bruce Green:** Largely, we were looking to have insurers attest to the fact that they were conducting appropriate diligence on the management of their claims, and taking appropriate stances on fraudulent claims, all the while ensuring that legitimate claimants were treated properly. So there has actually been quite a bit of attention on the FSCO side as well as the industry side to look at opportunities to jointly combat fraud. That's one of them.

**Mr. John O'Toole:** I'll just hand it back here. Just one last thing: How, in your best opinion, can they actually give us a 15% cut? I mean, I don't see it, personally. It's a risk product. I'm not pro one way or the other, but we're going to lose it on the benefit side and flip it into the court side as far as I can tell.

**Ms. Darlene Hall:** I mean, I guess I can't really specifically comment on it. I'm more the regulator, not the policy-maker.

**Mr. John O'Toole:** You're doing a very good job today. I've enjoyed your comments.

**Mr. Todd Smith:** Thank you.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much. We'll start with the five-minute rotation.

**Mr. Jagmeet Singh:** Okay. So have you heard, in terms of—there's a study on the ROE, return on equity. Have you received the study yet, or have you reviewed it?

**Ms. Darlene Hall:** That has not been finalized, the ROE study, so it's still ongoing.

**Mr. Jagmeet Singh:** Sure. The minister has suggested a 25% reduction to the ROE. Are you familiar with that suggestion that he made in question period?

**Ms. Darlene Hall:** I believe I heard something to that effect.

**Mr. Jagmeet Singh:** Okay. So that's maybe something like a reduction from 12% that it's at right now, to 9%. Is that what you've heard?

**Ms. Darlene Hall:** Well, 25% of 12% is 3%, so you would get the 9% if that's—

**Mr. Jagmeet Singh:** You did the math right on the spot; that's great, I love it.

Does FSCO have any input with respect to that ROE at this point?

**Ms. Darlene Hall:** Not really. I mean, FSCO had retained consultants to look at the issue of the ROE benchmarks, so that study hasn't been finalized.

**Mr. Jagmeet Singh:** Any idea when that will be released?

**Ms. Darlene Hall:** I'm not certain. I think we are trying to aim for the consultants to finalize their review this spring.

**Mr. Jagmeet Singh:** Are you aware of, or do you have a sense of, how much savings the anti-fraud measures in schedule 8 of the new budget bill—how much the savings would be? I'm estimating $200 million to $300 million. Is there any sense of how much that is going to result in savings for the industry?

**Ms. Darlene Hall:** I don't have that information.

**Mr. Jagmeet Singh:** Okay. This is a question about premium reduction. So you know, there's a 15% reduction on the horizon that I'd like to see happen for the people of Ontario. Can you answer this question for me: Isn't it true that the premium reductions only impact the individual companies when the policyholders renew in the year after the rate reduction? Is that correct?

**Ms. Darlene Hall:** I'm not sure how—I believe a regulation would be needed in terms of taking further action, so I'm not sure how that regulation will be put together. I mean, normally policies don't all renew on a specific day; it's over the course of a year.

**Mr. Jagmeet Singh:** Right, so if that was the model—that's what I'm suggesting—each individual company would only have to reduce their rates, whatever their percentage is, to get to the average of 15%. They would only have to do that per person as their policy comes to renewal, so it wouldn't impact companies right away; it would impact them in a staggered way over a year's time if it was that model, would you agree with that?

**Ms. Darlene Hall:** If it was that model—I mean, that's how the current system works. Policies come up for renewal and new rates apply on the regular renewal date of a policy.

**Mr. Jagmeet Singh:** So in a way, insurance companies would then not really see a loss or a reduction in their profits if they're being asked to have a 15% reduction overall on average. It wouldn't result in a loss to that company. They wouldn't feel it right away; they would feel it stretched out over a year's time, and the full impact wouldn't be realized till the end of the fiscal year.

**1620**

**Ms. Darlene Hall:** Yes, I think the FSCO submission actually talks a little bit about how policies come up for renewal and are repriced. So it would be over the period that those policies come up for renewal.

**Mr. Jagmeet Singh:** That helps.

How much time do I have?

**The Vice-Chair (Mrs. Donna H. Cansfield):** A minute.

**Mr. Jagmeet Singh:** Okay. Turning back to the issue with the fleet insurance, with the personal insurance, is there any way for people to switch from a fleet insurance system to an individualized system, and can FSCO help people do that—individual commercial as opposed to fleet commercial?

**Ms. Darlene Hall:** Companies have filed individual rates for taxis. So if a person has one taxi, they can go to a company and try to obtain insurance on an individual basis, if that's your question.

**Mr. Jagmeet Singh:** Okay. I think that's my time.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Great. Thank you very much.

**Mr. Bas Balkissoon:** I'll go back to my previous question, because I'm having difficulty understanding the Hamilton situation. I'll tell you what I understand from the folks who were here last week. This was a taxi company. He said that when they get into an accident, their drivers are not making the claim, not their passengers, and they fix their own vehicles in most of the cases without going through their insurance policy. They're not getting the insurance because of third party claims, so I'm understanding that to be another vehicle that is probably in the single-passenger or single-owner vehicle and not in fleet. How does that claim get transferred to this particular insurance company that has walked away under the no-fault insurance program?

**Mr. Bruce Green:** I'll take a stab at it. In any given accident, you've got the obvious claims for first party injuries within the vehicle itself and physical damage to the vehicle. Third party claims could be damage to third party persons or property, caused by that insured vehicle impacting them. In the end, when a company is looking at the losses for a particular fleet coverage, you're looking at the total losses. It doesn't matter so much whether they're driven by physical damage claims or by third-party liability claims. The only difference in a no-fault regime is the ability to sue for those third party damages only kicks in in certain circumstances. That's when you've crossed the threshold and there are catastrophic claims.

**Mr. Bas Balkissoon:** So if the third party had medical claims and whatever—that's transferred?

**Mr. Bruce Green:** It's a different kind of claim more than it is a transfer. "No fault" largely means if you and I are involved in an accident, you go to your insurance company for indemnification and I approach my own. It's supposed to get benefits flowing faster so our companies don't have to debate who's at fault for the accident. "Third party" is when I'm liable for damage I've caused to a third party, person or property, as a result of my operation of the vehicle. It's simply another type of claim.

**Mr. Bas Balkissoon:** But this particular taxi company was saying that they had no access to the number of claims, the value of the claims or anything else so that they could do anything to help themselves.

**Mr. Bruce Green:** Again, I can't speak to those circumstances, except we've spoken a lot about fleet rating today, and one of the advantages to fleets—if you've got a significant number of vehicles that share the risk, the owner of that fleet is spreading the risk out amongst all the drivers and all the vehicles. When you get into a commercially rated individual driver policy, you've got nowhere to spread the risk. From a premium perspective, it's driven by losses, whether those loss amounts materialize in some manner other than third party liability claims—I don't know the specifics of that situation, but—

**Mr. Bas Balkissoon:** But this company, which I think was called Arch Insurance, which I heard you say was an American company, do they have to file any information with FSCO—that you would have any idea of what was happening out there in the marketplace over the years?

**Mr. Bruce Green:** I can suggest to you that if the particular circumstances that were happening in Hamilton were fleet-rated, they wouldn't have been required to file with us.

**Mr. Bas Balkissoon:** Okay.

**Mr. Bruce Green:** But Arch does have commercially filed rates in Ontario as well.

**Mr. Bas Balkissoon:** Okay. Thank you very much, Madam Chair.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much, Mr. Green and Ms. Hall, for your presentation. We appreciate it.

## ONTARIO TAXI WORKERS UNION

**The Vice-Chair (Mrs. Donna H. Cansfield):** Our last presenter is Mr. Ejaz Butt, the president of the Ontario Taxi Workers Union, but for this rotation we're simply 10 minutes each.

**Mr. Jagmeet Singh:** Questions?

**The Vice-Chair (Mrs. Donna H. Cansfield):** Yes, the rotation for questions: 10 minutes each.

Sir, you have 10 minutes for your presentation. I'll give you a heads-up at nine. If you would please state your name and your organization for Hansard.

**Mr. Ejaz Butt:** Honourable Chair and respected committee members, first I would like to thank all of you for providing me the opportunity to speak about the ridiculous hike in taxi insurance. I'm also very thankful to both MPPs, Monique Taylor and Paul Miller, who actually worked hard to bring me here to speak to you guys.

Prior to the issue I talk about, I would like to introduce myself. My name is Ejaz Butt. Presently, I am serving 1,200 taxi drivers voluntarily in Hamilton as the president of OTWU. OTWU is the Ontario Taxi Workers Union, which was established in January 2010 in both companies, Blue Line and Hamilton Cab.

Presently, we, with our strong ally USW, are at the bargaining table with both our companies and I am fully confident that very soon we will come to some conclusion of our collective agreement with both companies, which will eventually resolve most of the issues which I mention in my speech.

Before I go to the issues, I just want all of you to understand how the taxi industry works in Hamilton. It has two main factors. One is the administration and the ownership, and the second one is the operating cost.

In administration, the first thing is the province, which legislates the insurance laws; then the city, which issues the taxi plates at the ratio of 1,100 persons per plate and also legislates the taxi bylaws.

Now, the brokers: Their job is to provide fair dispatch equally to all the drivers. Then there are the multiple-owners. This is the question which you asked about how the taxi industry is working.

Multiple-owners are the investors who buy the taxi plates on the black market with any price, which actually raises the price of the lease on the taxi, and those prices are very fake.

Then it comes to multiple-leasers, who pay a high price for the lease of a plate to have more control over the plates and the drivers, and this creates a fake shortage of taxi plates and makes it more difficult and miserable for the single individual who wants to operate a single plate.

The next step is the single owner, single leaser. Once it is monopolized by the multiple-owners and the multiple-leasers, then the single owners and the single leasers have a high price to run their cars.

The last factor is the driver, which is me, myself, the frontman, the one who is the affected person. Because of all these prices—which I'm going to state in the operating costs—it has become very hard for the drivers to earn a reasonable income, and they are under stress. Even the day before yesterday, a driver with a passenger was hit by a train because the person was under stress; he was hustling.

**1630**

So, since I'm in this business more than 30 years—you will compare the cost between what was happening in the 1980s and 1990s up to 2000, and after 2000 to 2013. I will take this 2013, where the total cost would be—the price of the car is $6,000; lease is $15,000; dispatch fee is $6,000; insurance is $18,000 to $20,000; repairs are $5,000; administration and other miscellaneous expenses are $3,000; and to cover these expenses you have to spend almost $9,000 in gas, which comes to $63,000. This is the operating cost. A driver who works 365 days, seven days a week, for 24 hours, his cost is $172, and in the first shift he has to make, for a 12-hour shift, $86. And the same thing—some of the drivers are driving for six days. Their daily cost, for 24 hours, is $210 per day, and six days is $105. So the net income and the gross income—well, what a driver is making nowadays is hardly crossing $150 in a 12-hour shift. You are sitting there for 12 hours and you go home with a gross income of $150. So now if the cost—you see, if the cost per shift is almost $86 out of $150, how much money he is taking home. If he's driving for six days, the cost is $105, and he's taking home $45 per day—that is 12 hours. You are talking about almost close to $3-point-something per hour that he's making.

But if you go to the 1980s and 1990s, the total cost, which was $18,400.80—insurance was $2,800. And if you were having more tickets or you got involved in a taxi accident, it was the individual who got involved in the accident—his insurance goes up to the Facility. It was not affecting the rest of the industry. So at that very time a driver's net income was almost $125 a day after taking out all the expenses, and the dollar value was more at that time as compared to today.

The other thing is, since this hike in insurance and other expenses, drivers are working longer hours. They are working under stress. They don't have the time to keep themselves physically fit and they are becoming sick. Some of them are getting heart attacks. Some of them are becoming diabetic. So if the person is working 84 hours and taking $300 to $400 in a week—he has to pay his mortgage, his clothing, his children's clothing, and with $1,300 or $1,400 you cannot run your family effectively.

So the problem—and it is becoming a safety issue. As I already mentioned, two days before, a driver got into an accident with a train. Luckily the train hit on the trunk part of it and the customer and the driver both were safe, but the driver was hustling because he was already on the job more than 12 hours and he couldn't make the expenses. He had to pay his owner for all those things.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Mr. Butt, you have one minute left, sir.

**Mr. Ejaz Butt:** My concern is that the rest of Canada—for example, BC, Manitoba, Saskatchewan—has taxi insurance. What legislation makes Ontario so different that the insurance companies do not want to take risks in Ontario? Definitely multiple leasing and fleet insurance is the problem. Because they can't find drivers, they put unlicensed drivers on it and they put uninsured drivers on it. That's how they are running the fleet. So if the system is working for one driver, I don't think there will be many claims on that, and the insurance should go down. I think we have the example of Manitoba, British Columbia and Saskatchewan.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much, sir. That was an excellent presentation. We'll start with Mr. Balkissoon.

**Mr. Bas Balkissoon:** Thank you, Madam Chair, and thank you, Mr. Butt, for being here. I hate to say it to you, but I think you're in the wrong place. I came from the municipal world, where we actually issued a taxi licence plate, and leasing has been a problem. It was never supposed to exist. If your municipality embraced it and it has become a disaster, you have to go back to the municipality. I can tell you that it's a disaster in Toronto, where I was, and I suspect Hamilton is the same.

When you talk about multiple-leasing and two or three middlemen, you've got a bigger disaster than Toronto. The provincial government is not involved in issuing those licences; it's the municipality. The bylaws for the taxi industry are the municipality's. Unless you have a specific idea for us that you could give me, I will tell you that the problem rests with the municipalities.

**Mr. Ejaz Butt:** I agree with you that it's the municipality. That's why we formed a union over there to fight with the city about those lease things. All the other factors, which I've already mentioned—we are at the bargaining table and we are discussing those rates and everything. We are also dealing with the city. The city is getting complete information. Even today all the councillors know that I'm here to discuss insurance.

When you talk about fleet insurance, the person who leases about 60 or 70 plates knows that the insurance is going up. The insurance broker calls him: "You better cancel your insurance right now and pay $800 extra and renew your plates at the exact same price." His insurance is renewed up to November, so he is safe until November.

Who did it? It is from the insurance company. It is the people who were sitting on the insurance. But the rest of the individuals who did not have any connections paid $20,000, $18,000 insurance—individuals. The problem of why there are more claims coming from Hamilton—that is the reason, because the drivers are not making enough money. Probably they'll get into an accident—you see, there are many drivers who are not even insured and they are driving the cars.

**Mr. Bas Balkissoon:** Okay. Mr. Bartolucci?

**Mr. Rick Bartolucci:** Just following up on your last statement, how many companies are offering insurance to your drivers? Do you have a few, several, one, many?

**Mr. Ejaz Butt:** Well, there was only one at the time, which was H and S. That was the broker. I remember the day we founded the union and if a driver who voted for the union went there—because the company knew that they were the union people—he refused. He said, "No. You are not going to get it." If they have a connection with each other, they know; that is why they help them out in the present crisis, telling them, "Okay, pay $800 extra for each car and renew your insurance at the same rate." But the others were going for $20,000 and their insurance was the same—$8,000 or $9,000. But he's covered until November. So the lease has gone up for the drivers from $375 to $450, and the drivers said, "Now what? Where are we going to make all this kind of money?" So the problem there is, insurance is one of the costs—this insurance increased $75 more, toward the drivers, per week. So you can see how most of this—$300, $400—is going toward to the one driver to pay, which was his income.

**1640**

Today I am here just to talk about this insurance thing, that I think you should have a public insurance, like every individual should have their own insurance, and if I make a fault, my insurance would go up. It should not affect the other people, right? Same thing, whatever is happening in Manitoba, British Columbia and Saskatchewan—their insurance is cheaper. Their drivers are happy; they're working. There are less claims.

I tell you, if the driver makes the money, even if he gets into the hardest accident, he will still prefer to work. Right now, if they can't make enough money, then they say, "Okay. It's better to get $400 from the insurance company and make a claim." So you are not going to stop. Plus, the people who are their physiotherapists, on every car they are sitting there advertising, "You got into an accident? Oh, come on. You fall down, you come to us. We are going to help." All those factors, if you combine with the—so these insurances will definitely go up.

**Mr. Rick Bartolucci:** Okay.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Any additional questions? Thank you very much.

Mr. Todd?

**Mr. Todd Smith:** Thank you for coming in, Mr. Butt. As the president of the Ontario Taxi Workers Union—I can tell you that, from your statements made here today, not a lot of people are going to be rushing out and being in a hurry to work for a taxi company. It doesn't sound like they're making a lot of money, and it sounds like their lifestyle is not the greatest either, with health implications and the stress that they're involved in.

But I think the question that you asked right at the end of your presentation is the million-dollar question here. The question that you stated was, what makes Ontario so different compared to the other provinces that are out there? I can tell you, in conversation with the insurance companies that are out there, they're simply unable to insure because they're not making any money.

You stated earlier that the premiums have gone from what to where they are now—$18,000 to $20,000? What was the low point?

**Mr. Ejaz Butt:** It's $6,000.

**Mr. Todd Smith:** It's $6,000. So they've virtually tripled in the last numbers of years, yet no one is underwriting, or very few are underwriting, taxi companies. There has to be a reason for that. If they've tripled their rates over the last number of years, why would they then decide to get out of the game, even after tripling—

**Mr. Ejaz Butt:** Well, this is—I do not understand why Hamilton was chosen up for this purpose, because they don't want to give the insurance to the Hamilton taxi companies. From my point of view, since the union came in—I think that's the reason that the cost goes up and finally the drivers quit.

They are playing a lot of games over there, which I don't want to mention here because I just want to talk about the insurance rates—

**Mr. Todd Smith:** That's what I'm asking about, the insurance rates. That's what we're focused on here today: insurance rates.

**Mr. Ejaz Butt:** I don't know whether they are making the money or not—

**Mr. Todd Smith:** But if they were making money, would there not be more that were willing to underwrite taxi fleets?

**Mr. Ejaz Butt:** I have no idea about—all I know is that they are running the taxi business. I've met the drivers over there. I have been there, and they were saying that they are making good money, and "Our insurance is cheap," but nobody said to me that the insurance is not making any money off of them. But they are all happy. I didn't find a single driver who was saying "We are in trouble," or in some kind of trouble.

The last time I was in California, I met all the drivers. Wherever I go, I meet with taxi drivers. But the thing is, in the rest the world, things are getting better. Why is Ontario so different? Why specifically is Hamilton being discriminated against by the other cities and by the other provinces? My interest is, make it public insurance. If I do something wrong, my insurance should go up. Now, within the fleet insurance what is happening is they can't find the drivers, and I'm worried about it. When the province is going to convert all these taxis into accessible taxis and when they have to deal with disabled people, and the same driver who's working under stress, who's sick—how is he going to react at that time? There will be more problems when we come again.

If we don't resolve this issue right now, I don't think that in the long run you will ever find a driver in Hamilton to drive the taxis. I tell you, if I would not have been here—I have already arranged one demonstration in the city of Hamilton. The other was planning to come right up to Queen's Park. The drivers are completely ready to come to Queen's Park and make a demonstration. I told them, "No. I'm going there to speak to them. Let them do some work on it so that the insurance comes down." Our mission is to talk with the committee and make sure that you help us out, to bring the insurance down so the driver can make a little better money. That will kill this problem once and for all, because it is going to come and come again. So make some kind of legislation where there is some kind of restriction.

I have given you the details so that you know how our taxi industry is working. Especially fleet insurance, that's the main problem. That is the claim. You will not find more individual claims as compared to those who are working in the fleet insurance. They are the ones who cause the—if their insurance goes up, they push everybody in. I didn't do anything. Why should my insurance go up to $20,000? I don't have any accidents, no record. The insurance would say, "Okay, you have to pay $18,000." Why should I if I did not make any claim, if my track record is clean?

These things, because a competition started going on to have the multiple-leasing and multiple-owners—those are the main problems that are affecting our insurance.

**Mr. Todd Smith:** As we've heard through our hearings and our study on auto insurance, the third party liability coverage is a big reason, and the claims from third parties are a big reason, why the rates have gone up. I'm just curious as to how much liability coverage the average taxi carries.

**Mr. Ejaz Butt:** It's $2 million.

**Mr. Todd Smith:** It's $2 million. Has that gone up?

**Mr. Ejaz Butt:** That was what I think—initially, it was $5 million, then we fought with the city and we did a demonstration, and then they brought it up to $2 million. Right now, I think in other provinces there is $1 million. Here, it is $2 million.

**Mr. Todd Smith:** Did you mean $500,000 or $5 million? You said it went from $5 million to $2 million.

**Mr. Ejaz Butt:** They suggested it should be $5 million—

**Mr. Todd Smith:** Oh, I see.

**Mr. Ejaz Butt:** —but it was brought to $2 million.

**Mr. Todd Smith:** From?

**Mr. Ejaz Butt:** From $5 million to $2 million.

**Mr. Todd Smith:** Yes, but what was the liability prior to—

**Mr. Ejaz Butt:** Right now, $2 million is the liability.

**1650**

**Mr. Todd Smith:** Right.

**The Vice-Chair (Mrs. Donna H. Cansfield):** What was it before?

**Mr. Todd Smith:** What was it before is what I'm asking.

**Mr. Ejaz Butt:** It was suggested but it was not implemented, the $5 million. It was $2 million, because nobody was giving us $5 million. It was a very high rate.

**Mr. Todd Smith:** We probably only have a minute left or so?

**The Vice-Chair (Mrs. Donna H. Cansfield):** A minute and a half.

**Mr. Todd Smith:** A minute and a half. In your opinion, what do you think would help insurers more readily cover cabs and taxis? That's the big problem, that the companies just aren't willing to underwrite taxi cabs right now. In your opinion, what do you think needs to happen?

**Mr. Ejaz Butt:** I think that public insurance should be introduced. It would be on an individual-to-individual basis, because that would change a lot of things. In the 1980s and 1990s it was public insurance. If somebody got into an accident, then his insurance went up, but if you have a fleet, that fleet's insurance goes up. It does not affect the individuals. Right now, what is happening is that if the fleet insurance goes up, the individual insurance goes up. The best way is that every individual has public insurance. If not, then follow Manitoba and British Columbia and move on.

**Mr. Todd Smith:** We'll move on, too. I don't think that's the answer, though.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much, sir. We will go to Mr. Singh.

**Mr. Jagmeet Singh:** Mr. Butt, thank you so much for joining us today. I appreciate your presentation and sharing your story with us. It has come to our attention that the situation in Hamilton is very, very dire, with the drivers having seen a significant increase in their rates from last year to this year, and drivers who have absolutely clean records—no claims, no tickets; they're safe drivers—seeing their rates go up so high all of a sudden. Part of the reason, you've mentioned, is the fleet insurance issue. Some of the solution might be on the municipal side of it, but it's important that you came here to share with us the problem with the insurance side, because insurance is regulated by the province.

I agree with you that there needs to be something done to bring the rates down, and I think we have to look at—initially, we looked at residential insurance only—not residential, but the insurance rates of individual personal insurance, but I think we also need to look at commercial vehicle insurance, which is also quite high.

You shared a lot of details. Just to give me another picture of the situation, in your opinion, if this doesn't get fixed, if this is not solved, in your personal experience, given the 1,200 taxi drivers you represent, how likely is it that they'll continue to be taxi drivers? And what will happen to the industry in Hamilton?

**Mr. Ejaz Butt:** Well, the thing is that those who are taxi drivers will keep on driving the taxis, but they will be under stress. Chances are there will be more claims; there will be more accidents and the safety of the public will be at stake.

**Mr. Jagmeet Singh:** Okay.

**Mr. Ejaz Butt:** The result would be more claims, and more insurance goes up.

**Mr. Jagmeet Singh:** My understanding is that the rates are so high now that many people would not continue to be taxi drivers. Because the rates are so high, they would have to go somewhere else, because you're not able to earn a livelihood anymore if the rates are going to be so high.

**Mr. Ejaz Butt:** Yes. Some of them have gone to welfare.

**Mr. Jagmeet Singh:** Okay.

**Mr. Ejaz Butt:** It's already, I think, almost 15 or 16 drivers I've seen who have gone onto welfare.

**Mr. Jagmeet Singh:** Because they can't afford to pay their bills, they can't afford to—

**Mr. Ejaz Butt:** They cannot afford the bills. What they do is they slowly and steadily move toward the welfare system, plus they are going to work part-time. One driver, he went on welfare, but he also said he's going to work only three days.

**Mr. Jagmeet Singh:** Okay.

**Mr. Ejaz Butt:** So they have the alternative to go on welfare. It's the government's money. They take it easy and drive a cab too. They have to make some money somehow, somewhere. If they can't make money in 12 hours of work—and it's long hours; you can't have a social life, you can't have time for physical. In the 1980s and 1990s, I was spending two hours on physical fitness. Now, I don't even have a single minute to go for exercise, which made me a heart patient, which made me a diabetic.

**Mr. Jagmeet Singh:** In your experience with the rates, what's the increase? How much are they increasing from year to year, from last year to this year? How much have the insurance rates increased?

**Mr. Ejaz Butt:** Well, you can see the $6,000 to $18,000, and one of the drivers paid $20,000.

**Mr. Jagmeet Singh:** Is that across the board? Is that with everybody or are there any exceptions?

**Mr. Ejaz Butt:** That is across the board. That is why I came here because all those people were after me and asking me, "What are you doing about the insurance issue?" I said, "Well, you know, I'm trying my best in a way that I can take your message to the province and tell them what your concerns are."

That's why I am here. This insurance hike—you know, they were paying about $360 or $375 or something, now they have gone to $450. So it was even difficult for them at that time. Look at the gas price, where it is—the other costs, if you look into it.

Those are the problems which we are going to fix during the bargaining. We have USW good expertise with us; we have an alliance with them. We are sitting with them on how we can work on the lease system, how we can work on the dispatch system. All those things are not the province's problem; that is not the city's problem. This is a problem between us and the owners and the brokers. Once we get a collective agreement, those problems will be solved.

The only problem that's left is the insurance, which is in your hands. You are the ones who can legislate and bring this insurance down so that at least the drivers in Hamilton should have a little bit more money to feed their family.

**Mr. Jagmeet Singh:** Sure.

**Mr. Ejaz Butt:** Right now they're spending a miserable, downtrodden life.

**Mr. Jagmeet Singh:** Thank you so much. Thank you for sharing your story with us. I appreciate it. I have no further questions, thank you.

**Mr. Ejaz Butt:** No problem.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Do you have any further questions?

Thank you very much, Mr. Butt, for your presentation. I appreciate it.

**Mr. Ejaz Butt:** Thank you.

## COMMITTEE BUSINESS

**The Vice-Chair (Mrs. Donna H. Cansfield):** We just have a little bit of business to do.

**Mr. Bas Balkissoon:** Do you want me to take the chair?

**The Vice-Chair (Mrs. Donna H. Cansfield):** You can take the chair.

*Interjections.*

**The Chair (Mr. Bas Balkissoon):** It's probably warmer in this chair.

Okay, members of the committee, we had sent a request to do transportation issues next week when the House is recessed, requesting two days of travel. I believe we discussed Durham, Mississauga and Hamilton. It's been granted, but to make the arrangements for next week, it has to be done quickly.

**Mr. Todd Smith:** This is for the gridlock study.

**The Chair (Mr. Bas Balkissoon):** The gridlock stuff, yes. We've got to pick the dates and where; and who do you want to hear from?

**Mrs. Donna H. Cansfield:** Can I ask a couple of logistical questions?

**The Chair (Mr. Bas Balkissoon):** Sure.

**Mrs. Donna H. Cansfield:** So we're looking to go to three places next—

**The Chair (Mr. Bas Balkissoon):** No, we suggested three but I think we only actually have two days of travel; right?

**Mrs. Donna H. Cansfield:** Two days of travel. Well, Mississauga and Hamilton, you could do in—anyway, it doesn't make any difference, Chair. It's logistics. So let's say it's only two. You have to do a certain amount of advertising to get the people to come out, that's the first thing.

**The Chair (Mr. Bas Balkissoon):** Exactly.

**Mrs. Donna H. Cansfield:** And we have a very short window with which to do that.

**The Chair (Mr. Bas Balkissoon):** Four days, because remember, Monday is a holiday.

**Mrs. Donna H. Cansfield:** That's right. The other is, who is our audience? Who do you want to talk to? Are you talking to the municipalities? Are you talking to individuals? Are you talking to associations? Do you want to talk to chambers of commerce? Do you want to speak to business associations? There should have been some work done by the subcommittee on this whole process around what is it we actually wanted to accomplish by going somewhere for two days, much less how to accomplish. I just don't know how you're going to do it, quite frankly.

**1700**

**The Chair (Mr. Bas Balkissoon):** I think the same issue was raised at subcommittee, and the subcommittee members who were present at the meeting are not here. Mr. O'Toole; I'm trying to remember who was—

**Mr. Todd Smith:** Mr. Marchese?

**The Chair (Mr. Bas Balkissoon):** That's right. Rosario was sitting in for the third party, and Mr. Colle.

*Interjection.*

**The Chair (Mr. Bas Balkissoon):** I'll be honest with you. As the Chair, I'm only available two days: Tuesday and Wednesday. That's it.

**Mr. Todd Smith:** I know Mr. O'Toole is anxious for the committee to meet in Durham.

*Interjection.*

**Mr. Todd Smith:** Not next week?

*Interjection.*

**Mr. Todd Smith:** I thought he was. Shall we take a pause in the action as well?

**Mrs. Donna H. Cansfield:** If I may, I don't have any problem going out and meeting in Durham, to be fair. I have no problem meeting in Mississauga or wherever. I would just like to know about what and who, or who we'd like to invite. Even if you send out an email to an association, they have to get back to you; you have to find a venue. There are a whole lot of logistics to this.

I just wondered whether or not, if we started now, we could look to something more worthwhile in June, when the House rises, and do something. Or I'm even prepared to take part of my Friday and do a Friday morning and go out to Durham, just so that we really make it worth our while and not end up in a situation where nobody comes because they haven't had sufficient time with which to do it.

**The Chair (Mr. Bas Balkissoon):** Well, you're the committee. We could either go next week or we can go in June. Mr. Singh?

**Mr. Jagmeet Singh:** I think there's a competing interest. I agree with Ms. Cansfield that we have to make it worth our while and make sure that people actually show up, so people should be given notification.

At the same time, there is a bit of a time limit. I think we want to get some of this work done as soon as possible. I guess we could maybe get the Clerk's input. Are there folks that we'd be able to get lined up for next week? Are there associations that have indicated interest previously, that we know about, that could talk about this gridlock issue in those different regions? If we have a sense that there are people out there and that they're ready and we can get them on a moment's notice—there's still about a week's time. I'm sure we could figure it out. I agree that we need to know that there's going to be people ready for us.

**The Clerk of the Committee (Ms. Sylwia Przezdziecki):** I would have to get back to you. I don't know that we have a waiting list—

**The Chair (Mr. Bas Balkissoon):** As far as I know, at subcommittee we did not have a list. Mr. Colle might be able to remember.

*Interjection.*

**The Chair (Mr. Bas Balkissoon):** We didn't.

**Mr. Jagmeet Singh:** That's an issue, I guess, if we don't have people. Then would it be the same process, that we'd put out a notice in the newspapers and put it on the parliamentary channel, the same way it's normally done, and then hope for people to respond—

**The Chair (Mr. Bas Balkissoon):** Can I make a suggestion? Because next week is so quick—Monday is a holiday; it's a short week—why don't we send it back to the subcommittee to meet with the Clerk and myself and set out the logistics properly, and we do it in June, as suggested by Ms. Cansfield?

**Mrs. Donna H. Cansfield:** And if I may—

**The Chair (Mr. Bas Balkissoon):** And then we'll get the list of deputants we want to hear from, where to advertise it, pick the locations, because it was three locations, but we only asked for two days of travel. It was rushed, and there's so much being put on this committee's plate—aggregates, transportation, ambulance, insurance—that it's getting a little bit out of control.

**Mr. Mike Colle:** Yes, we've got to deal with aggregates. We were supposed to be dealing with that yesterday. We haven't dealt with it.

**Mrs. Donna H. Cansfield:** If I may also, we don't have a venue, so you can't advertise for some place if you don't know where you're going.

**Mr. Mike Colle:** You could do it on a bus.

**Mr. Todd Smith:** Do you recall why this urgency to have it next week?

**Mrs. Donna H. Cansfield:** No.

**Mr. Mike Colle:** No, there wasn't. It was really trying to accommodate everything—

**The Chair (Mr. Bas Balkissoon):** First Mr. O'Toole suggested that we meet while the Legislature was sitting, and we go, "You can't do that because we don't have members"—

**Mr. Rick Bartolucci:** Chair, you've made a good suggestion. I think we can bandy this about, but at the end of the day the subcommittee is going to decree anyway, so why don't—it's a good idea to go back to the subcommittee, sit down and work out something that works—

**The Chair (Mr. Bas Balkissoon):** Or the other thing we could do is—we're meeting on Wednesday again? We're meeting on Wednesday again, so if all of you will come back with your own caucus input so that we could design the logistics right here on Wednesday, that's fine with me.

**Ms. Teresa J. Armstrong:** Can I please just get the three locations you're thinking of? Durham—

**The Chair (Mr. Bas Balkissoon):** No, the suggestions of everybody who was interested were Durham, Mississauga and Hamilton.

**Mrs. Donna H. Cansfield:** And actually, if I recall, originally we also said the north.

**Mr. Todd Smith:** Northern gridlock.

**Mrs. Donna H. Cansfield:** Well, there's a different kind of gridlock.

**Mr. Mike Colle:** Certainly. Somebody made that amendment.

**Mrs. Donna H. Cansfield:** I did.

**Mr. Mike Colle:** Okay. Listen, I agree. Wednesday?

**The Chair (Mr. Bas Balkissoon):** Okay. My suggestion is the subcommittee can meet Wednesday after the committee meeting and set out the logistics, or we can refer it to the subcommittee, and as the Chair I call that meeting whenever.

**Mr. Jagmeet Singh:** I'm just concerned that someone—we requested this for next week, so there must have been some reason for that.

**The Chair (Mr. Bas Balkissoon):** To be honest with you, I was at the meeting, and everybody was struggling with what to do because everybody had a different opinion on what they want out of this. That's my recollection.

**Mr. Jagmeet Singh:** Okay, that's fine.

**The Chair (Mr. Bas Balkissoon):** That's fine? So we'll do it Wednesday. After our regular meeting, the subcommittee will stay and meet. Just make sure your subcommittee member knows that they have to be here, and your subcommittee member, and Mr. Colle.

**Mrs. Donna H. Cansfield:** We'll get Mr. Colle in line.

**Mr. Todd Smith:** Done.

**The Chair (Mr. Bas Balkissoon):** We're adjourned.

*The committee adjourned at 1706.*

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**STANDING COMMITTEE ON GENERAL GOVERNMENT**

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Mr. Bas Balkissoon (Scarborough–Rouge River L)

**Vice-Chair / Vice-Présidente**
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Ms. Teresa Armstrong (London–Fanshawe ND)
Mr. Jim McDonell (Stormont–Dundas–South Glengarry PC)
Mr. Jagmeet Singh (Bramalea–Gore–Malton ND)

**Also taking part / Autres participants et participantes**
Mr. John O’Toole (Durham PC)

**Clerk / Greffière**
Ms. Sylwia Przezdziecki

**Staff / Personnel**
Ms. Heather Webb, research officer,
Research Services