New Standards for Ontario's Consumer Complaint Handling System: Collection of Company Complaint Data and Complainant Notification about the Office of the Insurance Ombudsman

Bulletin

No. G-10/00

General
[bulletinToTheAttentionOf]
Beginning on January 1, 2001, the Financial Services Commission of Ontario (FSCO) is requiring all insurance companies to collect and submit consumer complaint data on a quarterly basis to the Office of the Insurance Ombudsman (OIO).
In addition, companies are asked to develop mechanisms to ensure that a complainant is informed of his or her right to have a complaint reviewed by the OIO, if it has not been resolved within a reasonable period of time. The OIO will be working with company Ombudsman Liaison Officers to develop notification guidelines.

Refining and Strengthening Ontario's Consumer Complaint Handling System

In 1996, Ontario established the Office of the Insurance Ombudsman and a system for the informal resolution of consumer complaints about the business practices of insurance companies.

The system places primary responsibility on insurance companies to handle consumer complaints. The OIO deals only with complaints that are not resolved by companies within a reasonable time. Insurance companies are required to have a "Consumer Complaint Handling Protocol" that is communicated to their staff, adjusters, and distribution systems. Companies must appoint an Ombudsman Liaison Officer to liaise with the OIO.

Ontario's consumer complaint handling system is working well. The next step is to refine and strengthen it by developing industry standards for company Consumer Complaint Handling Protocols. To begin the process of developing these standards, the OIO will collect data on the number and nature of consumer complaints handled by companies. At the same time, the Ombudsman will work with companies to ensure that complainants who have unresolved complaints are aware of the opportunity to have those complaints reviewed by the OIO.

As we build standards for Ontario's complaint handling system, we will also enhance consumer protection, education, and confidence in the insurance sector.

1. New Requirements for the Collection of Insurance Company Consumer Complaint Data

The OIO established a Working Group in February 2000 to develop a mechanism to collect company complaint data. The Working Group was composed of Ombudsman Liaison Officers and representatives from the Insurance Bureau of Canada and the Canadian Life and Health Insurance Association. All Ombudsman Liaison Officers were invited to attend the Spring Ombudsman meetings to discuss the first draft guidelines developed. A second draft was distributed to the working group and all Ombudsman Liaison Officers in late August for comment from company senior management. A third draft was distributed mid-October and a final meeting of the working group was held October 27. The attached Guidelines for Collection of

Insurance Company Consumer Complaint Data reflect the input received through this extensive consultation.

Insurance companies will be required to collect consumer complaint data starting January 1, 2001, and submit it to the OIO on a quarterly basis. Individual company data is to be submitted in confidence and will not be published or released upon request. The complaint data will be published by the OIO on an aggregate basis by line of business.

Combining company complaint data with the number and nature of complaints received by the OIO, will provide us with an indication of the proportion of complaints addressed by the industry. It will also permit us to track complaint trends and assist in the identification of marketplace issues. This information will be useful to FSCO, the industry and consumers.

2. Informing Complainants About FSCO's Insurance Ombudsman

To have a fair and effective industry-first complaint handling system, complainants must be aware of the opportunity to have a complaint reviewed by the OIO if it has not been resolved in a reasonable period of time through the company's Consumer Complaint Handling Protocol.

I would ask that all companies take steps to ensure that their Protocols provide that complainants who have unresolved complaints are informed of this opportunity. The OIO will work with company Ombudsman Liaison Officers to develop guidelines to assist companies in this regard.

If you have any questions regarding this bulletin, send them to the:

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Or contact Ms. Barb Taylor at1-800-668-0128, ext. 7273, or (416) 590-7273; or
Mr. Jim Fox at 1-800-668-0128, ext. 7277, or (416) 590-7277.

Dina Palozzi
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