

\$1.1 Billion + HST = Class Action!

On November 1, 2018 a series of class action lawsuits was launched against six of the largest auto insurance companies in Ontario alleging they short-changed victims the amount of the HST payable on accident benefits under the standard auto policy. The series of lawsuits was expanded to 11 auto insurance companies on November 12, 2018.

As many of you may remember, in 2016, two law clerk members, Amy Hofstetter and Tracy Romanowski, identified this as an issue and asked OTLA to raise this as a concern with FSCO.

In a 2016 letter to Brian Mills, Chief Executive Officer and Superintendent of Financial Services, OTLA asked FSCO to “explicitly remind insurers to comply with your direction and to pay the applicable HST for SABS claims in addition to coverage provided under the policy.”

FSCO responded to our letter by requesting that OTLA encourage its members to file individual complaints. FSCO also stated that insurers, which had failed to pay HST in addition to the cost of a benefit, had indicated to FSCO that they would follow FSCO’s previous direction. And, FSCO reported that they would continue to monitor the situation.

A toll-free hotline and a dedicated website have been created to receive complaints from the public against any insurer that has wrongfully reduced benefits by the amount of the HST.

OTLA has ensured that all MPPs have been educated on this matter through our newsletter, the MPP Advisor, which we sent immediately following the launch of this suit.



Jill Nicholson, lead plaintiff in the class action lawsuit, OTLA Past President Paul Harte, OTLA Board Member Jay Ralston and Rhonda Taylor, mother of Shawn Taylor, an accident victim impacted by the HST class action lawsuit