



Who Do You Contact?

If you suspect fraudulent activity, please report it to your insurance company. For your convenience, a list of insurance company consumer complaint officers is available on FSCO's web site or by calling FSCO. You can also contact the police.

The Office of the Insurance Ombudsman at FSCO will accept and review written complaints about the activities and conduct of paralegals or health care providers operating in the auto insurance industry. Contact FSCO if:

- You can find no indication that the paralegal has filed with FSCO.
- The paralegal is not adhering to the code of conduct, as published on FSCO's web site.
- The paralegal has no errors and omissions insurance.
- You believe that the paralegal or health care provider has not disclosed a potential conflict of interest relating to your claim.
- The paralegal is charging a contingency fee.
- The paralegal or health care provider solicits or accepts payment of a referral fee.
- You have not received all of the treatment approved and paid for by your insurance company.
- You have a concern with the bills submitted to your insurer by your health care provider.

Need More Information?

For additional information, please call FSCO's 24-hour information line at (416) 250-7250 or toll-free at 1-800-668-0128. You can also obtain information by visiting FSCO's web site at www.fSCO.gov.on.ca.

By being an informed consumer, you can help eliminate these scams -- and help lower car insurance premiums.

Financial Services Commission of Ontario

5160 Yonge Street, Box 85
Toronto, Ontario
M2N 6L9

(416) 250-7250 or 1-800-668-0128

TTY (416) 590-7108, 1-800-387-0584

www.fSCO.gov.on.ca



Financial Services
Commission
of Ontario

Tips For Identifying Car Insurance Scams

How Do The Scams Work?

What Can You Do?

Who Do You Contact?

Scams relating to car insurance can take many forms, but they all have one thing in common -- they cost everyone!

All policyholders end up paying for the inflated or improper payments associated with an insurance claim. That means you end up paying for someone else's greed!

By being an informed consumer, you can help eliminate these scams -- and help lower car insurance premiums.

This brochure provides tips on how to avoid car insurance scams, and help eliminate them too. It has been published by the Financial Services Commission of Ontario (FSCO), an arm's-length agency of the Ministry of Finance that regulates financial services sectors including insurance. FSCO works to enhance public confidence in, and access to, a fair and efficient financial services industry in Ontario.

How Do The Scams Work?

A tow truck driver may be paid a referral fee by a paralegal to refer accident victims to that particular paralegal. This is illegal.

A paralegal may be paid a referral fee by a health care provider to refer accident victims to that particular health care provider. This too is illegal.

A tow truck driver may be paid a referral fee by a car repair or body shop to have damaged cars towed there. These types of tow truck drivers are known in the industry as "chasers." A tow truck driver may be breaking a municipal bylaw by recommending a repair shop without being asked.

Many "chasers" are owned or controlled by car repair shops. Insurance companies may choose not to do business with these shops. If the insurer does not deal with the shop to which your vehicle has been towed, your vehicle may need to be towed to another repair shop. But before that happens, you may be required to pay for the towing service, storage and possibly other administrative fees. These fees can add up to hundreds or even thousands of dollars, and your insurer may not cover these fees. If you refuse to pay them, the car repair shop can apply the Repair and Storage Liens Act and sell your vehicle to cover the fees.

To recover these referral fees, paralegals, tow truck drivers, repair shops and health care providers may "pad" their bills. In the end, you and other policyholders end up paying.

What Can You Do?

Be informed. If you require the services of a tow truck driver, paralegal or health care provider, know your rights. Here are some tips:

Tow Trucks

- Make sure the tow truck has a municipal licence number on its side before you use its services.
- Look to see if the tow truck is affiliated with a reputable company such as an automotive roadside assistance group or automobile association.
- Ask if the tow truck has a police contract.
- Listen for obvious clues. Does the driver recommend a particular repair facility without being asked? If he/she does, this might be an indication that a referral fee arrangement exists. In Toronto, making such a recommendation may be illegal under Municipal Code, Chapter 545.
- Carefully read everything the tow truck driver asks you to sign.
- Ask that your car be taken to a secure location where an adjuster or appraiser from your insurance company can have access to it. Some municipalities require that your vehicle be taken to a Collision Reporting Centre or police station before it goes anywhere else.
- Contact your insurance company, if possible, for information on towing and where to take your car to be repaired.
- Consider having your car towed to a preferred car repair shop. Some insurance companies use preferred repair shops where they have an agreement that guarantees your vehicle will be repaired to the highest possible standards. For more information, contact your insurance company.

Paralegals

- Expect to be treated in a fair and courteous manner. As of November 1, 2003, requirements for paralegals operating in the auto insurance industry took effect. The law now requires that anyone who acts as an adviser, consultant or representative for no-fault accident benefits must meet certain requirements. This includes adhering to a code of conduct. It applies to paralegals who advise another person about his or her rights to obtain accident benefits; assist in completing claim forms; discuss or negotiate with an insurer or adjuster; attend dispute resolution meetings at FSCO, in Small Claims Court or private arbitration; or negotiate the settlement of no-fault accident benefits.
- Watch for red flags like special fees. Paralegals are not permitted to charge you a contingency fee (a percentage of any award that you may obtain).
- Observe the business relationship between the paralegal and health care provider. Paralegals must inform you of any potential conflicts of interest, including if they have an interest in the health care facility to which you have been referred.
- Ask your paralegal to show you proof he has errors and omissions insurance coverage. All paralegals are required to carry this coverage.
- Carefully read anything that the paralegal asks you to sign.
- Check to see whether a paralegal has filed the required declaration with FSCO. You may do so through an easy-to-use online service that is available at www.fSCO.gov.on.ca.

Health Care Providers

- Carefully review the itemized treatment plan before you sign it.
- Ensure you are receiving the treatments for which your insurance company is being billed.
- Check the rates. Your health care provider must bill your insurance company at the same rate for treatment they would reasonably charge you if you were paying for the treatment.