INVESTORS *for* PARIS COMPLIANCE

A COMPLAINT TO THE FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

July, 2025

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PART 1 – SUMMARY

(Note: references provided in following sections)

1. This complaint is submitted to the Financial Services Regulatory Authority of Ontario (FSRA) by Investors for Paris Compliance, a shareholder advocacy group which advocates to mitigate climate risk in the Canadian financial system.

2. FSRA's mandate includes fostering public confidence in, and ensuring the sustainability of the financial services sector, and upholding fair treatment of insurance customers, including ensuring transparency and avoiding conflict of interest.

3. The property and casualty insurance industry admits that climate-driven damages are driving record claims. An example is the 2024 Toronto-area flood which by itself cost one billion in insured losses.

4. The industry is passing along these costs in the form of increased rates and reduced coverage. From 2014 to 2024, home insurance rates in Ontario rose by 84%. In 2024, Ontarians saw a 12.7% increase, and then in 2025 a further 5.7% jump. Rates are projected by the industry to keep rising by low double digits.

5. Rate hikes are higher in some regions, and insurance companies are withdrawing or reducing coverage in certain flood-prone regions such as certain areas in Windsor, Richmond Hill, and Ottawa.

6. There is little transparency regarding the role of profit-taking by insurance companies. For example, Intact and Definity are increasing shareholder dividends. Similarly, there is little transparency regarding the climate-related factors determining coverage, such as flood and fire maps considered proprietary to the industry, yet having real-world implications for home owners, municipal planners, and developers.

7. Meanwhile, FSRA discloses individual company rate hikes in the auto sector, and provides sectoral trend analysis regarding the factors that go into the hikes.

8. There is no public analysis regarding home insurance consumers' ability to pay despite the fact that there is evidence of growing stress in the system with thousands of homeowners turning to crowdfunding to cover insurance and damages. Home prices and the mortgage market are also adversely affected.

9. Climate impacts are projected to intensify, which will lead to greater insured damages and ongoing rate hikes. Taken to its logical conclusion, this is a recipe for system failure.

10. The insurance industry has a conflict of interest by investing and underwriting fossil fuel activity to the tune of billions of dollars, thereby promoting ongoing emissions and greater climate damages, and passing along these costs to consumers.

11. The complainant therefore requests an investigation by FSRA into these issues, and at a minimum requests pooled public disclosure regarding home insurance rate hikes and rationale, flood and fire mapping, and insurance company net zero plans.

PART 2 – BACKGROUND

A. THE REGULATOR AND REGULATED ENTITIES

12. This complaint is submitted to the Financial Services Regulatory Authority of Ontario (FSRA), a regulatory agency in Ontario created to improve consumer and pension plan beneficiary protections in Ontario.

13. FSRA's stated objectives are to:[1]

    - Promote high standards of business conduct
    - Foster a sustainable, competitive financial services sector
    - Respond to market changes quickly
    - Promote good administration of insurance and pension plans
    - Encourage innovation

14. FSRA oversees various sectors ranging from insurance to credit unions to pension plan administrators. This complaint regards the regulated entities in the property and casualty (P&C) insurance sector.

15. FSRA has a complaints process[2] which it states helps it ensure regulated entities are complying with acts and regulations, as well as to identify "if there are any systemic issues in the industry that will inform decisions related to Regulation that improve Consumer Protection."

B. THE COMPLAINANT

16. This complaint is submitted by Investors for Paris Compliance (I4PC), a project of the Salal Foundation, a registered Canadian charity.

17. I4PC is a shareholder advocacy group committed to mitigating climate risk within the Canadian economy. As part of this work, we track and report on the climate risk management of Canada's largest fossil fuel financiers, including those in the P&C insurance industry.

C. LEGISLATION AND GUIDANCE

18. As this complaint focuses on the potential affordability crisis facing home insurance consumers and the P&C sector's contribution to this trend, it falls within FSRA's mandate, outlined in the *Financial Services Regulatory Authority of Ontario Act*:[3]

    - To regulate and generally supervise the regulated sectors;
    - To contribute to public confidence in the regulated sectors;

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[1] Government of Ontario, Financial Services Regulatory Authority of Ontario Act, 2016, S.O. 2016, c. 37, Sched. 8 (June 2025).
[2] FSRA, Submit a complaint to FSRA (accessed June 19, 2025).
[3] Government of Ontario, Financial Services Regulatory Authority of Ontario Act, 2016, S.O. 2016, c. 37, Sched. 8 (June 2025).

- To monitor and evaluate developments and trends in the regulated sectors;
- To cooperate and collaborate with other regulators where appropriate;
- To promote public education and knowledge about the regulated sectors;
- To promote transparency and disclosure of information by the regulated sectors;
- To deter deceptive or fraudulent conduct, practices and activities by the regulated sectors; and
- To carry out such other objects as may be prescribed.

19. In addition, in respect to financial services like insurance, FSRA's mandate is also:

    - To promote high standards of business conduct;
    - To protect the rights and interests of consumers; and
    - To foster strong, sustainable, competitive and innovative financial services sectors.

20. To fulfill this mandate, FSRA administers a number of statutes and regulations and has certain rule-making authorities. FSRA also issues related guidance.[4]

21. A cornerstone of its guidance is its Fair Treatment of Customers in Insurance.[5] This outlines expectations for 12 customer outcomes, including:

    - Any potential or actual conflicts of interest be avoided or properly managed and not affect the fair treatment of Customers.
    - A Customer is given appropriate information to make an informed decision before entering into a contract.
    - Policyholders are provided information which allows them to make informed decisions throughout the lifetime of their contracts.

22. The remedies outlined in Part 5 below fall within the FSRA's mandate and powers, outlined above.

[4] FSRA, FSRA Guidance Framework (accessed June 19, 2025).
[5] CCIR, Guidance Conduct of Insurance Business and Fair Treatment of Customers (Sep. 2018).

PART 3 – FACTS

A. ONTARIO INSURANCE CONSUMERS FACE ONGOING OPEN-ENDED PREMIUM INCREASES

I. The insurance industry acknowledges the climate crisis is driving record claims

23. The Insurance Bureau of Canada has stated that climate change influences more and bigger floods, wildfires, hailstorms, and windstorms which are costing billions and putting people and property at risk.[6] This is exemplified by the exponential increase in insured damage in 2024 shown in the IBC graphic below, when for the first time in Canadian history, insured damage caused by severe weather events surpassed $9.1 billion.[7]

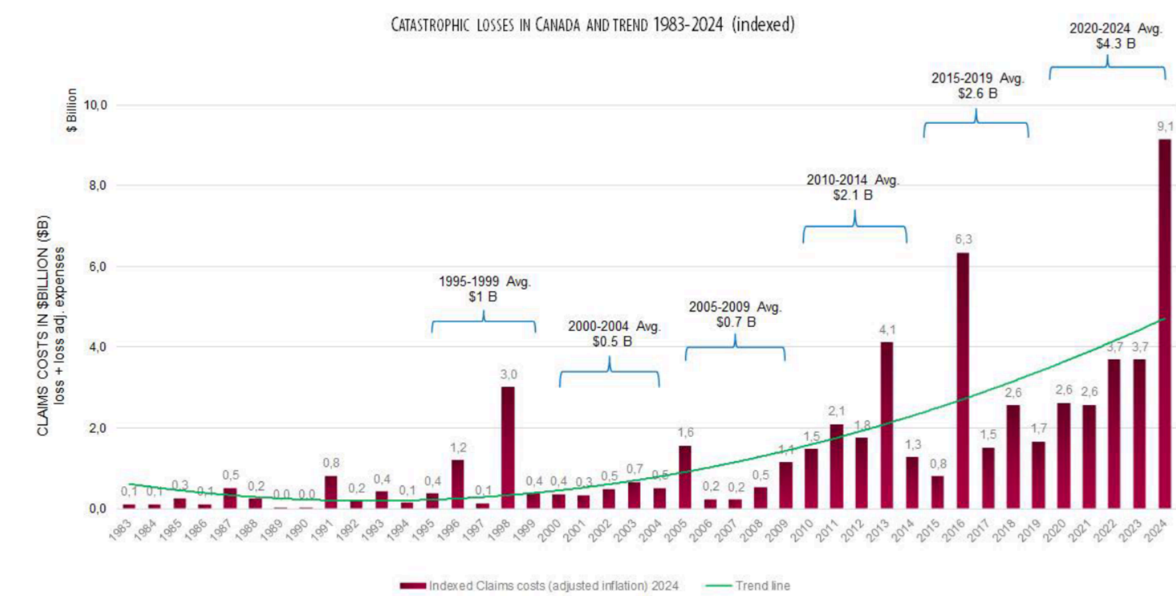

Figure 1. Annual P&C insurance claims in Canada, 1983 to 2024 ($2024 CAD).[8]

24. Individual insurance companies have echoed this. In his 2025 letter to shareholders, the Chief Executive Officer of Canada's primary property and casualty insurer, Intact Financial, stated that:

> ...climate change [is] the defining trend of our time. 2024 was the warmest year on record and marked the fifth consecutive year where global insured losses exceeded US$100 billion. Given the role insurers play in derisking the economy, climate change is the single biggest challenge faced by our sector.[9]

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[6] IBC, Climate (accessed June 19, 2025).
[7] IBC, Disaster (accessed June 19, 2025).
[8] Ibid.
[9] Intact Financial Corporation, 2024 Annual Report (Apr. 2025) at 18.

25. Fairfax Financial has also acknowledged that climate change presents material financial risks, citing rising reinsurance costs,[10] increased catastrophe losses,[11] and the impacts of climate-related events on equity markets[12] and that understanding climate change is critical to managing risks.[13]

26. Definity[14], TD Insurance[15], Cooperators[16], Wawanesa[17], and Desjardins[18] have all also acknowledged the threat of climate change to the industry.

27. Global insurance organizations come to a similar conclusion. The Geneva Association states: "Society-wide collaboration is needed to keep insurance available and affordable in the face of increasing climate risk."[19]

28. Global reinsurance companies also concur. Munich Re states:

> Climate change is showing its teeth. At US$320 billion, natural disasters produced extremely high losses last year. The scientific community believes that climate change will make many weather-related disasters more frequent and severe.[20]

29. Swiss Re estimates that "Global insurance losses from natural catastrophes continue to follow the 5-7% annual growth rate (in real terms) that has been the norm of recent years."[21] Note that a 5% growth rate leads to a doubling of losses in 14 years and a tripling in 22 years; a 7% growth rate doubles in 10 years and triples in 17 years.

30. A Board member of global insurer Allianz stated "Heat and water destroy capital. Flooded homes lose value. Overheated cities become uninhabitable. Entireasset classes are degrading in real time, which translates to loss of value, business interruption, and market devaluation on a systemic level."[22]

31. As far back as 2017 one global insurance CEO talked about a world of unchecked climate change being "uninsurable."[23] Indeed, this was echoed more recently by the Insurance Bureau of Canada which stated that Canada could become "uninsurable" a

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[10] Fairfax, 2023 Annual Report (March 2024) at 107.
[11] Ibid, at 201.
[12] Ibid, at 205.
[13] Fairfax, 2023 ESG Report (n.d.) at 13.
[14] IBC, Environment & Climate Change (accessed June 19, 2025).
[15] Insurance Business Mag, TD Insurance establishes climate change advisory board (Apr. 2019)
[16] Cooperators, Climate action and advocacy (accessed June 19, 2025).
[17] Wawanesa, Wawanesa Climate Champions (accessed June 19, 2025).
[18] Desjardins, Climate Action at Desjardins (May 2025).
[19] Geneva Association, Safeguarding Home Insurance: Reducing exposure and vulnerability to extreme weather (May 2025) at 8.
[20] MunichRe, Climate change and its dramatic consequences (accessed June 19, 2025).
[21] SwissRe, Natural catastrophes: insured losses on trend to USD 145 billion in 2025 (Apr. 2025).
[22] Günther Thallinger, Climate, Risk, Insurance: The Future of Capitalism (Mar. 2025).
[23] Trellis, AXA: 4C warming makes the world uninsurable (Dec. 2017).

decade from now if governments and the private sector fail to put forward solutions to better protect Canadians.[24]

32. As early as 2015 in its Climate Change Strategy, the Government of Ontario then acknowledged that climate change "is already costing the people of Ontario" in the form of increased insurance rates.[25]

II. These costs are being passed along in rising premiums and reduced coverage

33. These rising climate-driven claims are not yet affecting the profitability of insurance companies operating in Ontario, since the costs are being passed along to policy holders in the form of increased premiums and reduced coverage.

34. This is showing up in the claims ratio (net claims incurred / net premiums earned) and combined ratio (claim-related losses and expenses / premiums earned) data. Statistics Canada found that these ratios tipped into unprofitability during COVID 19, but that since then – even in the face of rising claims due to extreme weather – the ratios have been in profitable territory.[26] This shows that insurance companies are passing along those costs in the form of higher premiums. See the chart below:

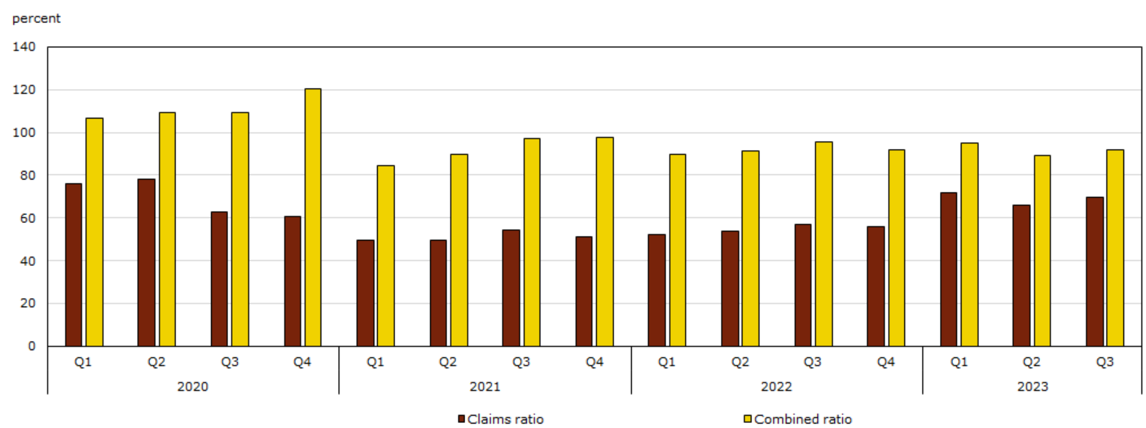

Figure 2. Claims ratio and combined ratio, P&C insurance.[27]

35. Nationally, home and mortgage insurance rates have climbed faster than inflation, as seen in this chart from Statistics Canada:[28]

[24] The Globe and Mail, Damage from natural disasters in Canada hit record $8.5-billion in 2024, as industry group warns some regions may become uninsurable (Jan. 2025).
[25] Government of Ontario, Ontario's climate strategy (Nov. 2015) at 3.
[26] Statistics Canada, Insights into the impact of extreme weather trends in Canada on homeowners insurance profitability and consumers (May 2024).
[27] Ibid.
[28] Statistics Canada, Insights into the impact of extreme weather trends in Canada on homeowners insurance profitability and consumers (May 2024).

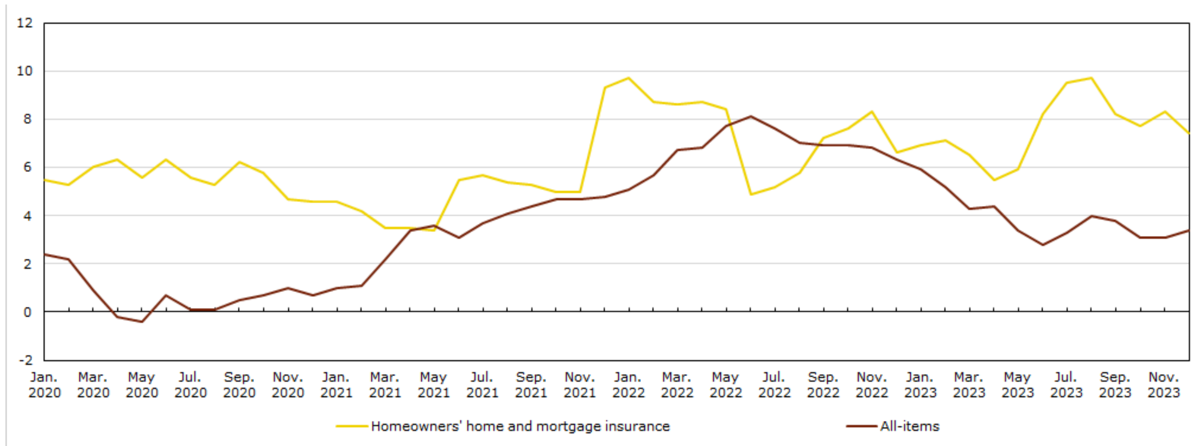

Figure 3. Change in the Consumer Price Index (CPI) and homeowners' home and mortgage insurance, Canada. 12-month percentage change, 2020-2023.[29]

36. From 2014 to 2024, home insurance rates in Ontario rose by 84%[30] and Ontarians in 2025 are paying on average $519 more for home insurance than they did in 2015.[31] From 2023 to 2024, Ontarians saw a 12.7% increase in home insurance[32] and then in 2025 a further 5.7% jump, seen in the figure below:

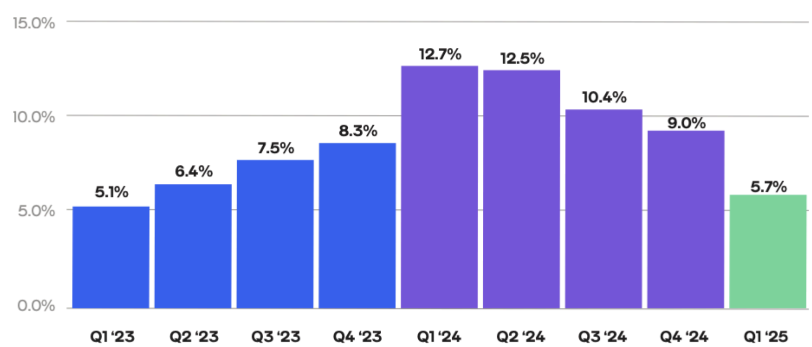

Figure 4. Average change in premium rate for Ontario personal property insurance compared to the same quarter in the prior year.[33]

37. In some areas of Ontario, the insurance price jump is more severe. In 2024 rural homeowners outside Carleton Place reported a year-over-year jump of 72%.[34] Their insurance company, Commonwell Mutual Insurance Group, refused to comment publicly on the jump.

[29] Ibid.
[30] MyChoice Financial, Climate Change is Responsible for a 379% Increase in Average Annual Insurable Damages in the Last Decade in Canada (Oct. 2024).
[31] Canadian Underwriter, How much home insurance rates are up in 2025 (March 2025).
[32] Canadian Underwriter, Home and auto rates harden in 2024 Q1 (May 2024). ; Canadian Underwriter, How much home insurance rates are up in 2025 (March 2025).
[33] Applied Rating Index, The Canadian insurance industry's premium rate index Q1 2025 (May 2025) at 7.
[34] CTV News, Carleton Place, Ont. homeowners facing sky-high home insurance increases (March 2024).

38. In its latest Quarterly Financial Report, for home insurance, Intact predicts “low double-digit premium growth [...] mainly due to catastrophe loss trends.”[35]

39. In terms of reduced coverage, about 10% of all Canadian households are highly exposed to flooding but lack access to flood insurance.[36] In some cases, residents in Ontario have spent tens of thousands on protective flood measures and were surprised to find they were still denied flood coverage.[37] Even when insurance is available, homeowners in high-risk areas may face significant out-of-pocket costs due to insurer-imposed payout caps on flood-related damages.[38]

40. A 2021 CBC investigation uncovered that an area in Richmond Hill, Ontario was considered ineligible for overland flood insurance.[39] This was not known before the media investigation.

41. There are anecdotal reports[40] – although no systemic disclosure – that homes in the Ottawa area are unable to attain home insurance due to flood risk.

42. Toronto’s 2024 floods caused $1 billion insured losses, but with most residents still lacking overland flood coverage, the real cost is estimated at up to $4 billion for just three hours of rainfall, or about $1.3 billion per hour.[41] For many of the over 500,000 basement apartment renters in the GTA, this meant evacuation costs as well.[42]

43. Rising costs due to insufficient coverage are also being passed along to Ontario taxpayers. The Ontario Disaster Recovery Fund pays out millions where consumers are not covered by insurance[43] and the Municipal Disaster Recovery Assistance provides provincial funding for municipal infrastructure recovery, such as $2.3 million for Bracebridge after a 2019 flood.[44]

44. The Insurance Bureau of Canada has also highlighted the growing costs of wildfires. Annual fire-related catastrophe losses rose from an annual average of $84 million (2003-2014) to $706 million in the past decade.[45] The credit rating agency Morningstar DBRS has echoed this warning, noting early signs of coverage tightening for properties

[35] Intact, Intact Financial Corporation reports Q1-2025 results (May 2025).
[36] IBC, Canadians need flood protection (accessed June 19, 2025).
[37] Clare O’Hara, Rise in climate-related floods leaves Windsor residents uncertain about insurance coverage (July 2024).
[38] Ratesdotca, Northern Ontarians pay up to 80% more for home insurance than the rest of the province (June 2025).
[39] CBC, Up to 10% of homes could now be 'uninsurable' because of flood risk (Nov, 2021).
[40] Ottawa Citizen, Extreme weather in Ottawa is on the rise (Sep. 2024).
[41] Blair Feltmate, Toronto-area floods cost us more than $4-billion (July 2024).
[42] Ibid
[43] City of Mississauga, Province provides disaster recovery assistance for Mississauga residents impacted by flooding (Nov. 2024); Government of Ontario, Disaster Recovery Assistance for Ontarians (June 2019);
[44] Muskoka 411, Bracebridge Will Receive $2.3 Million In Provincial Funding For 2019 Flood Recovery (Apr. 2020).
[45] IBC, More than 1 in 10 California homes are uninsured. Could a similar crisis happen in Canada? (Apr. 2025).

near wildland-urban interfaces and exclusionary clauses or stricter underwriting for wildfire risk in high-exposure zones.[46]

B. CONSUMERS AND OTHER KEY STAKEHOLDERS FACE AN INFORMATION ASYMMETRY WITH THE HOME INSURANCE INDUSTRY, UNLIKE AUTO

45. Ontario consumers and regulators are only aware of premium price increases once they have already happened, and have no basis to assess whether any one company's increase is consistent with the provincial or regional average, or what factors went into the price rise and whether those were legitimate.

46. In addition to rates, consumers and other key actors are unable to access the climate-related information that insurance companies use to set and adjust coverage and rates, including the specific flood mapping and wildfire mapping used.

47. Canadian insurers purchase licences for flood maps from private companies and combine these maps with other data to determine flood exposure to decide the availability and pricing of insurance for a particular consumer.[47] This is not shared with the customer. Currently, public floodplain maps, where available, are often outdated or incomplete.[48] An estimated 94% of Canadians living in high-risk areas remain unaware of their flood risk.[49]

48. Lack of access to the specific flood and fire maps that insurance companies use also negatively impacts housing development. Municipalities rarely have access to data about flood insurance and do not always understand the criteria insurers use to classify a property as "high risk,[50] and cities can therefore approve developments using data that conflicts with data used by insurers.[51] Risk data quality and use also differs across insurers.[52]

49. Municipalities are unable to know precisely where to approve new developments, and developers may incur losses after being approved to build in areas that face steeper insurance costs if homes are therefore unexpectedly worth less.

50. In contrast to home insurance, Ontario's auto insurance system offers greater transparency. The public can access FSRA's Rate Approval database to view approved rate changes for every auto insurer, updated regularly since 2018.[53] FSRA also publishes average premiums and explains how rates are determined, helping consumers assess whether their premiums are fair and reasonable.[54] FSRA defines its role as a

[46] Canadian Underwriter, Will insurers in Canada be able to withstand another destructive wildfire season? (June 2025).
[47] IBC, A Primer on Severe Weather and Overland Flood Insurance in Canada (2019) at 10.
[48] Canadian Climate Institute, Turning the tide (Jan. 2024); Government of Canada, Flood Hazard Identification and Mapping Program (accessed June 19 2025).
[49] University of Waterloo, Canadian Voices on Flood Risk 2020 (Sep. 2020).
[50] Minano, A., Thistlethwaite, J. & Henstra, D. Evaluating a public–private data-sharing platform for improving flood insurance availability and affordability in Canada (July 2024) at 102.
[51] Ibid.
[52] Ibid.
[53] FSRA, How auto insurance rates get approved (accessed June 19 2025); FSRA, Private Passenger Automobile Insurance Rate Approvals (accessed June 19 2025).
[54] FSRA, Your average premium (accessed June 19 2025).

regulator as "[ensuring] that insurance companies' proposed rates are fair and reasonable, not excessive for consumers."[55]

[55] Ibid.

PART 4 – SUBMISSIONS

A. THE STRENGTH AND STABILITY OF THE HOME INSURANCE SECTOR IS ON A COLLISION COURSE WITH CONSUMERS' ABILITY TO PAY

51. A core aspect of FSRA's mandate is to ensure the strength and stability of the home insurance sector. This is being steadily undermined by climate-driven insurance unaffordability.

52. Insurance companies pass along the costs of increased claims in the form of higher premiums and reduced coverage. Because climate damages are trending inexorably higher, this means that premiums will continue to rise regardless of consumers' ability to pay either for the premium hikes or for under- or uninsured damages.

53. There is no indication that FSRA monitors this trend from a consumer affordability lens or has established thresholds for what constitutes unsustainable or destabilizing pricing in the home insurance market.

54. There are already signs of stress in the system. It is estimated that 10,000 Canadians, between 2019 and 2023, turned to crowd-funding GoFundMe campaigns in the aftermath of severe weather.[56] It is unknown how many of these are Ontarians.

55. There are also secondary financial impacts that destabilize the system. From 2014 to 2019, the average selling price of Canadian homes in communities that experienced catastrophic flooding dropped by 8.2 per cent.[57]

56. In 2024 Desjardins announced that it would no longer offer mortgages in certain flood zones.[58]

57. Regarding home financing, in the U.S., First Street estimates that for every 1% increase in insurance costs, there is a roughly 1% increase in the mortgage foreclosure rate.[59]

58. According to the Australian Actuaries Home Insurance Affordability Index, over 1.6 millions Australian households are experiencing home insurance affordability pressure, a 30% rise from 2023 to 2024.[60] An estimated 5% of Australian households with mortgages are experiencing insurance affordability stress, representing AUD$57 billion of loan balances and 3% of all home loan assets.[61] There has been no similar estimate done in Ontario or Canada, despite similar circumstances.

59. In Canada, a core response of the insurance industry to growing climate risk has been to lobby the federal government to take on the riskiest flood prone properties under a proposed National Flood Insurance Program.[62] While laudable from the perspective of vulnerable Canadians, this can also be seen as a form of offloading by the industry to be able to focus on more profitable clients. From a taxpayer perspective, this can be seen

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[56] CBC, In face of extreme weather, Canadians increasingly turn to crowdfunding for help (May 2024).
[57] Intact Centre for Climate Adaptation, Treading Water: Impact of Catastrophic Flooding on Canada's Housing Market (Feb. 2022).
[58] CTV News, Desjardins no longer offering mortgages for houses in some flood zones (Feb. 2024).
[59] CBS News, Climate change could drive surge in foreclosures and lender losses, new study finds (May 2025).
[60] Actuaries Institute, Home Insurance Affordability and Home Loans at Risk (Aug. 2024).
[61] Ibid.
[62] IBC, Canadians need flood protection (accessed June 19, 2025).

as a form of ‘double dipping’ into their pockets, since more taxes are required to pay for such a program while insurance rates also go up for everyone.

60. In its latest Quarterly Financial Report, for home insurance, Intact predicted “low double-digit premium growth [...] mainly due to catastrophe loss trends.”[63]

61. There is no projection as to whether and where home insurance price hikes will end, but climate impacts are projected to accelerate for the foreseeable future,[64] with claims continuing to grow exponentially, and these costs continuing to be passed along to consumers. Taken to its logical conclusion, this is a recipe for system failure.

B. CRITICAL HOME INSURANCE FACTORS ARE NOT TRANSPARENT TO CONSUMERS OR TO REGULATORS, UNLIKE WITH AUTO INSURANCE

62. For auto insurance, FSRA assesses whether the assumptions insurers use to set rates are reasonable and result in reasonable profit.[65] It reviews market conditions, benchmarks, and insurer’s operating expenses to evaluate against the insurer’s prediction of risk as well as the impact on rates overall.[66] FSRA publishes decisions through a searchable online database so consumers and the public can view insurer-specific rate changes, assess justifications, and track trends across the sector.

63. For home insurance, there is no public analysis regarding the reasonableness of rates or rate hikes, particularly in relation to profit-taking by P&C companies. For example, Canada’s largest P&C insurer Intact raised shareholder dividends again in 2024, for the 20th consecutive year, while also raising home insurance rates – it reported an overall increase of 9% in home insurance premiums, “primarily due to rates.”[67] This built on an 8% rise in 2023.[68]

64. Definity has set a 50% increase in its quarterly dividends per share over the past four years.[69] In 2024 it had “...particularly strong results in personal property; full year combined ratio was robust at 94.5% despite record levels of industry catastrophe losses.”[70]

65. In addition to raising rates, another response by insurance companies is to restrict coverage while encouraging homeowners to invest in adaptation. Yet this process is opaque and inconsistent. For example, some residents in Ontario have spent tens of thousands on supposedly needed protective flood measures, yet were still denied flood coverage.[71] There is no overall public accounting of areas in Ontario with restricted coverage.

66. FSRA’s legislative mandate includes promoting transparency and disclosure of information by the regulated sectors and is empowered to issue guidance where

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[63] Intact, Intact Financial Corporation reports Q1-2025 results (May 2025).
[64] Canadian Climate Institute, The costs of climate change (2022).
[65] FSRA, How auto insurance rates get approved (accessed June 19 2025)
[66] Ibid
[67] Intact Financial Corporation, 2024 Annual Report (Apr. 2025) at 55.
[68] Canadian Underwriter, Cats scratch Intact’s bottom line in 2023 (Feb. 2024).
[69] Definity, Annual Report (Feb. 2025) at 4.
[70] Ibid at 26.
[71] The Globe and Mail, Rise in climate-related floods leaves Windsor residents uncertain about insurance coverage (July 2024).

systemic issues affect consumer rights. Even if FSRA does not regulate home insurance pricing in the same manner as auto, its responsibility to foster transparency remains.

C. THE P&C INDUSTRY HAS A SIGNIFICANT BUT RESOLVABLE CONFLICT OF INTEREST REGARDING CLIMATE DAMAGES

67. A core element of FSRA's Fair Treatment of Customers in Insurance guidance is that, "[a]ny potential or actual conflicts of interest be avoided or properly managed and not affect the fair treatment of Customers."

68. While this provision is usually narrowly interpreted, FSRA has stated an interest in its complaints process for identifying "systemic issues in the industry that will inform decisions related to Regulation that improve Consumer Protection."[72]

69. A core systemic issue related to conflict of interest is the role that Ontario's insurers are playing in fostering the climate damages that are driving premium price increases.

70. Our 2024 report *Playing With Fire* documents how Canadian P&C companies are helping to drive climate damages via their fossil fuel investing and underwriting. It found the seven largest Canadian-based P&C insurers and their parent companies had over $19.5 billion invested in fossil fuel assets in 2023.[73]

71. Canadian P&C companies are also profiting from fossil fuel activity via their underwriting of fossil fuel projects. Toronto-based Fairfax – owner of Northbridge Insurance – ranks as the fifth largest fossil fuel underwriter in the world.[74] Companies like Intact, Wawanessa, and Definity also have divisions engaged in fossil fuel underwriting.

72. As our report illustrates, some Canadian insurers are voluntarily taking initial steps to reduce this conflict of interest and adopt some best practices for net zero alignment, but these efforts are inconsistent and fall short of both global peers and what is required by climate science. The voluntary climate actions of Canadian P&C insurers (as of 2024) are illustrated below.

[72] FSRA, Submit a complaint to FSRA (accessed June 19, 2025).
[73] Investors for Paris Compliance, Playing with Fire (July 2024).
[74] Insure our Future, 2024 Scorecard (Dec. 2024).

	INTACT	DESJARDINS	COOPERATORS	WAWANESA	DEFINITY	TD	FAIRFAX
UNDERWRITING							
Fossil Fuels $M	N/A	N/A	N/A	N/A	N/A	N/A	809.8[109]
Net Zero Commitment?	No	No	No	No	No	No	No
Exclusion Policy?	Multiple FF exclusions	Strong coal policy	No	No	No	No	No
Engagement Policy?	Yes	No	No	No	Weak	No	No
INVESTMENTS							
Fossil Fuels $M	1,483.3[110]	298.7	0.4	N/A	0.3	15,472.4	1,538.8
Net Zero Commitment?	Yes	Yes	Yes	No	Yes	Yes	No
Exclusion Policy?	Multiple FF exclusions	Strong coal policy	Yes	No	Thermal coal mining exclusion	Weak	No
Engagement Policy?	Yes	Yes	Yes	No	No	Yes	No

Figure 5. Voluntary climate actions of Canadian P&C insurers (as of 2024).[75]

73. Global peers are doing more. Global insurer Allianz excludes new oil and gas projects from both its investment and insurance portfolios,[76] while other major insurers including Zurich,[77] Munich Re,[78] Suncorp,[79] Generali,[80] and more[81] have committed to end or restrict underwriting for new oil and gas projects.

74. Canadian insurance companies and their industry association talk at length about the need for adaptation, but are largely silent on the need to reduce the emissions that are causing climate damages in the first place.[82]

75. FSRA's mandate includes identifying systemic risks, deterring deceptive conduct, and ensuring the fair treatment of customers. The average Ontario consumer is unaware that the hike in their home insurance bill is due in part to the activities of the company sending that bill. They are also unaware whether and to what degree that company is taking steps to reduce that conflict of interest.

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[75] Investors for Paris Compliance, Playing with Fire (July 2024).
[76] Allianz, Statement on oil and gas business models (February, 2023).
[77] InsuranceBusiness, Zurich Insurance cancels underwriting new fossil fuel projects (April, 2024).
[78] Munich RE, New Oil & Gas investment / underwriting guidelines (October, 2022).
[79] Suncorp, Responsible underwriting, lending and investing (n.d.).
[80] Generali, Strategy on Climate Change (June, 2022).
[81] Insure our Future, Insurance Company Fossil Fuel Underwriting Policy Overview (July, 2024).
[82] See for example, the Intact 2024 CEO letter. Likewise, the IBC website has no section devoted to either reducing emissions overall or net zero activities by its members.

PART 5 – REMEDY SOUGHT

76. In light of the evidence presented in this complaint, Investors for Paris Compliance requests that FSRA conduct an investigation into the matters raised, focusing both on the future stability of the Ontario home insurance system due to affordability stress, as well as consumer protection regarding the issues of transparency and conflict of interest.

77. At a minimum we recommend that FSRA consider an initial response that requires pooled public disclosure by insurance companies active in Ontario with regards to rate hikes and rationale, specific areas determined to be higher risk due to flood and fire mapping, and their own net zero activities,[83] hosted on the FSRA website. This would begin to build an accessible base of knowledge where none now exists.

78. Medium- to long-term, more robust responses will be required to safeguard Ontario home insurance consumers against the major challenges that climate damages pose. Given its mandate, FSRA needs to help lead that conversation and action.

[83] Note that some insurance companies already either/both self-report regarding net zero, and/or report to OSFI regarding financed emissions and climate risk mitigation, so this reporting is not novel, but it is not publicly collected anyplace.