[Date]

[Name], MPP
[Riding]

[Queen’s Park Building], [Floor]

[Street Address]

Toronto, ON [Postal Code]

Dear [MPP Name],

I am writing as a professional in the Ontario travel industry to express my concerns about the Ontario Travel Industry ACT (TIA) --and in particular the financial and administrative burden of the **Ontario Travel Industry Compensation Fund, and excessive financial reporting.**

I sell travel for (registrant name) that is registered with the Travel Industry Council of Ontario (TICO), and I am concerned that the outdated regulatory framework in Ontario is an unfair burden on travel businesses and jeopardizes my future if the Travel Industry Act and Compensation Fund are not reformed on an urgent basis – not to mention it fails to fully protect Ontario consumers in its current form.

Currently any coverage for consumers under the Compensation Fund is in fact, misleading and I am asking for urgent attention as there is a simple solution to make it effective for all, and that is to move to a consumer pay model like Quebec. This would remove the financial and administrative burden on companies like the one I work for and would quickly create a fund that would allow TICO to offer full coverage to all Ontario consumers in the event of a large failure of an airline or tour operator.

Currently, there are caps for claims and repatriation that are insufficient to cover a large failure, private travel insurance has an even lower cap, and there’s no guarantee that all credit card companies will provide refunds—some are excluding travel from refund policies.

I’m on the front line, and it is a very difficult thing to explain to customers about all the gaps in coverage when there’s a failure.  This is either a disaster waiting to happen, or just a waste of money trying to cover something that we really can’t.  Meanwhile, Quebec has real coverage that is funded by a small consumer fee on every travel transaction. It’s a lot easier for travel advisors to explain full coverage-- or no coverage at all-- than a bit of coverage depending on a lot of variables.

When a failure does happen, not only do I have to explain to clients whether they are protected or not-- but we are on the firing line of consumer complaints and frustrations with trying to get reimbursed and as well trying to either help them get home, or rebook their vacations and trips, etc.

**What is TICO and what does it do?**

The Travel Industry Council of Ontario (TICO)—a provincial delegated authority-- registers, regulates and monitors travel companies in Ontario and administers the Ontario Travel Industry Act (TIA), and the Ontario Travel Industry Compensation Fund (the Fund) which is intended to reimburse travel consumers against the failure of travel companies or end suppliers (e.g. airlines or cruise line).

The Fund is currently underfunded according to an actuarial study done by TICO, costly to administer, in many cases does not offer full consumer protection and has limits per claim and per incident**.** It was designed in the 1970s in an era of a cash and cheque economy, fly-by-night charter tour operators and before the Internet and e-commerce.

The Compensation Fund is confusing for consumers with its many limitations and delays before paying. Over 90% of travel purchases are by credit card in Canada, and for the vast majority of consumers the travel purchase is eligible to be refunded by the credit card company should there be a supplier failure. TICO actually **requires the consumer to first request a charge back** on their credit card AND Or a reimbursement from their travel insurance prior to applying to the Fund. Thus, the Fund rarely pays out much money.

It should also be noted that a sizeable amount of money is **diverted from the Fund** each year to pay for costly TICO operations.

Currently, many Ontario travel businesses like the one I work for are also required to submit a costly audited financial statement on an annual basis to TICO. Removal of this expensive and unnecessary financial and administrative burden would assist travel businesses to remain competitive.

I support consumer protection and offering excellent service. However, in order to provide meaningful consumer protection to Ontario consumers without burdening Ontario businesses, **we need to change the funding method to a robust consumer-funded model, as exists in Quebec and many other countries in the world.** The cost to consumers would be very little per transaction.For example, in Quebec, the fee was $1 for every $1,000 spent, and now that the Quebec Fund has reached its maximum capacity, Quebec consumers are no longer required to pay a compensation fund fee.

Cancelling the industry contributions will free up millions of dollars of capital, year over year, allowing Ontario travel companies to invest and generate new job opportunities.

I am asking **the Government to change the financial reporting requirements and to change the funding model to a consumer-funded Travel Industry Compensation Fund program and to eliminate industry contribution requirements.**

**About the Ontario travel industry**

There are approximately 2,400 Ontario travel businesses registered with the Travel Industry Council of Ontario (TICO), that employ well over 40,000 travel advisors and other support staff. The volume of business conducted by these Ontario companies is approximately $18 Billion per year, generating an estimated $2 Billion or more in Provincial tax revenue.

My company is a member of the Association of Canadian Travel Agencies (ACTA), which speaks on behalf of travel agencies and our customers, Ontario consumers.

Please meet at your earliest opportunity with ACTA representatives as they continue to advocate at Queen’s Park on our behalf.

Respectfully,

Travel Advisor

CC: Hon. Lisa Thompson, Minister of Government and Consumer Services

 Local MPP (home address)

 Local MPP (business address)

 Wendy Paradis, ACTA President