

Financial Services Commission of Ontario

***Bill 5 Filing Guidelines for Proposed Revisions to
Private Passenger Automobile Insurance Rates and Risk Classification Systems***

A. GENERAL INFORMATION

These filing guidelines are to be used for filing rate reductions under the provisions of the Automobile Insurance Rate Stabilization Act, 2003 (Bill 5).

Filings

The conditions for filing under this format are:

- \$ On an all coverages combined basis, the proposed rate level change must be less than 0.0%.
- \$ Any territorial base rate change must be between -10.0% to 0.0%; and
- \$ Any other changes to differentials or risk classification elements must be between -10.0% to 0.0%, with no off-balancing.
- \$ Changes to discounts, surcharges and rating rule changes are permitted as long as the impact of such changes is a reduction in the resulting rate to the consumer.
- \$ No changes to the rating algorithm are permitted.

Filing Process

Each simplified filing should contain the following informational sections, in the order indicated below:

Section	Contents
1.	Table of contents
2.	Summary of information (Appendix A)
3.	Certificate of the Officer/Designate (Appendix B)
4.	Rating algorithm
5.	Base rates, differentials and discounts/surcharges
6.	Rating rules
7.	Dependent Categories (if applicable)
8.	Proposed manual pages
9.	Rating examples

FSCO may request further information from the insurer, other than that specified above. Filings should be submitted to:

Financial Services Commission of Ontario
Automobile Insurance Division
Rates and Classifications Branch
Box 85, 16th Floor
5160 Yonge Street
North York ON M2N 6L9

Once an insurer has received notification of approval or authorization from FSCO of its filing, it must file a copy of its rate manual, containing the revised rates with FSCO.

B. GUIDELINES

These guidelines are for the Private Passenger Automobile (PPA) category only. The format of the filing should be as follows:

SECTION 1: TABLE OF CONTENTS

The table of contents must list the page number of each section of the filing. The pages of the filing, including exhibits, must be numbered consecutively and dated.

SECTION 2: SUMMARY OF INFORMATION

The summary section contains certain key information on the nature of the filed rate level, differentials or risk classification element changes. The form to be used is attached to this document as Appendix A.

SECTION 3: CERTIFICATE OF THE OFFICER/DESIGNATE

Each filing must be accompanied by an original signed authorized Certificate of the Officer/Designate. A copy of the Officer/Designate form is attached as Appendix B. Authorized officers are the President, CEO, COO, CFO or Chief Agent for Canada. Alternatively, the President, CEO, COO, or CFO may authorize a designate to sign the Certificate of Officer/Designate. The Designate must be Vice-President rank or above.

SECTION 4: RATING ALGORITHM

Each insurer is required to file its rating algorithm for all coverages.

SECTION 5: BASE RATES, DIFFERENTIALS, AND DISCOUNTS/SURCHARGES

a. Base Rates

Each insurer must file current and proposed base rates for all coverages.

b. Differentials

Each insurer must file its current and proposed differentials for all coverages.

c. Discounts and Surcharges

Each insurer must file its current and proposed discounts and surcharges.

SECTION 6: RATING RULES

Each insurer is required to file its current and proposed rating rules.

SECTION 7: SECTION 413 DEPENDENT CATEGORIES

For those categories of automobile insurance that are dependent on the rate filing submitted, please provide the following:

- (i) The rate level effects of the proposed changes.
- (ii) The calculations that validate the rate level effect of the proposed changes.
- (iii) A copy of the rating rule that stipulates the linkage to the category of automobile insurance.
- (iv) Rating examples must be completed for the dependent category of automobile insurance. Rating examples can be found as part of the Section 413 filing guidelines, Appendix C.

SECTION 8: PROPOSED MANUAL PAGES CONTAINING RATES AND RISK CLASSIFICATION SYSTEMS

Each insurer must file its proposed manual pages containing the proposed rates, discounts, surcharges and rating rules (including definitions).

SECTION 9: RATING EXAMPLES

Each insurer must file with the FSCO the rating examples reflecting the rates it is proposing to charge. Please refer to the attached Private Passenger Automobile - Appendix C for the rating examples.