

**Financial Services Commission of Ontario**

***CLEAR Simplified Filing Guidelines - for  
Private Passenger Automobile Insurance Rates and Risk Classification Systems***

**A. GENERAL INFORMATION**

These filing guidelines are to be used to adopt the current year CLEAR rate group table and make the required base rate changes to the physical damage coverages.

**Filings**

The conditions for filing under this format are:

- \$ Base rate change to physical damage coverages only, not due to off-balancing differential or discount changes, that is uniform by territory.
- \$ No changes to territorial relativities.
- \$ No other changes to differentials or risk classification elements.
- \$ No changes to discounts, surcharges and rating rules.
- \$ No changes to the rating algorithm.

**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.	Actuarial support
7.	Dependent categories (if applicable)
8.	Proposed manual pages
9.	Rating examples (Appendix C)

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 Services Branch  
Rates and Classifications Unit  
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 proposed rate level. 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 (Note – only changes to physical damage coverages are to be made).

**b. Differentials**

Each insurer must file its current differentials for all coverages.

**c. Discounts and Surcharges**

Each insurer must file its current discounts and surcharges.

**SECTION 6: DETAILED SUPPORT**

Only if the benchmarks outlined in Appendix D are not used must this section be completed. For insurers not using the benchmark, you must provide support including any differences in distributional data or loss trend assumptions.

**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 AND THE VEHICLE RATE GROUP TABLES**

Each insurer must file its proposed manual pages containing the proposed rates, vehicle rate group tables, 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.