

ONTARIO INSURANCE COMMISSION
Guidelines for filing underwriting rules
for private passenger automobile insurance
under Section 238(l) of the *INSURANCE ACT*
R.S.O. 1990, CHAP. L8

Section 238(l) of the *Insurance Act*, R.S.O. 1990, Chap. 1.8 requires every insurer to file with the Commission a list of grounds (underwriting rules) for which the insurer declines to issue, terminates or refuses to renew a contract or refuses to provide or continue a coverage or endorsement.

The attached forms are designed to provide insurers with a standard format for filing underwriting rules for private passenger automobile (PPA) risks. As an insurer, you must refile a complete list of rules each time you change a rule. Your filing must also include the appropriate form. If your rate manual includes your underwriting rules, you should update the rate manual and file it with the Commission.

For categories other than PPA, follow the *Guidelines for filing underwriting rules for categories other than private passenger automobile insurance* (Appendix B).

All insurers are required to submit one of Form AI, A2, or A3, and underwriting rules if applicable.

Form AI - Underwriting rules not required

Submit Form **AI** if you are licensed for auto and if either

- you do not write contracts of automobile insurance for PPA, or
- you write contracts of automobile insurance for PPA, but only on a fleet basis.

Form A2 - Insurer exempt from the TAC requirement

Complete Form A2 if you

- write contracts of automobile insurance for non-fleet PPA, and
- are exempt from the TAC requirement as specified in the Facility Association Plan of Operation.

Attach to Form A2 the underwriting rules you use to decline to issue, terminate or refuse to renew a contract, or refuse to provide or continue a coverage or endorsement. These may be rules you use currently.

Include in your rules, at a minimum, your reasons for

- declining compulsory coverages, i.e., third party liability (BI, PD-DC, PD-Tort), accident benefits, uninsured automobile
- declining any optional coverages, i.e., collision, comprehensive
- upon renewal, offering different deductible levels and/or limits of liability

based on any of the following factors:

- | | |
|-------------------|--------------------|
| ● territory | ● accident history |
| ● vehicle types | ● convictions |
| ● driving records | ● other features |
| ● driver classes | |

Form A3 - Underwriting rules for non Residual Market Risks and Residual Market Risks

Complete Form A3 if you write PPA and are not exempt from the TAC requirement. By filing Form A3, you agree to accept any risk that does not meet the definition of a Residual Market Risk as specified in the Facility Association Plan of Operation. You may also choose to accept Residual Market Risks.

Attach to Form A3 your underwriting rules for non Residual Market Risks (marked Exhibit 1) for optional coverages that include, at a minimum, your reasons for

- declining any optional coverages, i.e., collision, comprehensive
- upon renewal, offering different deductible levels and/or limits of liability

based on any of the following factors:

- territory
- vehicle types
- driving records
- driver classes
- accident history
- convictions
- other features

If you write Residual Market Risks, you must also attach to Form A3 the underwriting rules (marked Exhibit 2) you will use to decline compulsory and optional coverages to Residual Market Risks, or offer different deductible levels and/or limits of liability, based on the factors noted above.

Cross out paragraph 3 from Form A3 if you will not be writing any Residual Market Risks.

FORM A1 - Underwriting rules not required

I, _____, _____
(Name of Officer) (Office held)

of _____ (the "Insurer")
(Full name of company)

CONFIRM THAT (circle appropriate paragraph)

1. The Insurer does not write contracts of automobile insurance for private passenger automobiles.
2. The Insurer writes contracts of automobile insurance for private passenger automobiles, but only on a fleet basis.

Date

Signature of Officer

FORM A2 - Insurer exempt from the TAC requirement

I, _____, _____
(Name of Officer) (Office held)

of _____ (the "Insurer")
(Full name of company)

CONFIRM THAT

1. The Insurer writes contracts of automobile insurance for non-fleet private passenger automobiles but is exempt from the TAC requirement as set out in the Facility Association Plan of Operation.
2. The Insurer's grounds for declining to issue, terminating or refusing to renew a contract, or refusing to provide or continue a coverage or endorsement are set out in the attached exhibit.

Date

Signature of Officer

Confirmation of maximum rates charged

I, _____, _____
(Name of Officer) (Office held)

of _____ (the "Insurer")
(Full name of company)

CONFIRM THAT effective on the start date of the Facility Association Risk Sharing Pool

the total rate including commission charged for all coverages applied for will not exceed the total rate plus commission that would have been charged for all such coverages if insured by the Facility Association. (This confirmation applies to any risk that is not a Residual Market Risk as defined in the Facility Association Plan of Operation, but which was insured by the Facility Association in the period immediately preceding the date of the application for coverage.)

Date

Signature of Officer

**Additional rates and classes of risk exposure
for non Residual Market Risks**

I, _____, _____
(Name of Officer) (Office held)

of _____ (the "Insurer")
(Full name of company)

CONFIRM THAT

1. The information and all documents contained in the filing accompanying this form are complete and correct.
2. The information provided in the filing accompanying this form includes the following:
 - (a) description of proposed changes
 - (b) current base rates and proposed base rates
 - (c) current differentials and proposed differentials
 - (d) revised manual pages.
3. This filing is made only for the purposes of amending the Insurer's rates and classes of risk exposure to include rates and classes of risk exposure for any risk that does not meet the definition of a Residual Market Risk as defined in the Facility Association Plan of Operation.

Date

Signature of Officer