

Financial Services Commission of Ontario

Technical Notes for Automobile Insurance Rate and Risk Classification Filings

A. Introduction

All insurers writing non-fleet automobile insurance on Ontario Automobile Policy (OAP 1) or Ontario Driver's Policy (OPF 2) must have their rates and risk classification systems approved or authorized by the Financial Services Commission of Ontario (FSCO). The legislation provides that an application (filing) for approval of rates and a risk classification system shall be in a form approved by the Superintendent and shall be filed together with such information, material and evidence as the Superintendent specifies. These *Technical Notes* form part of the Filing Guidelines, and are to be considered in conjunction with them.

For the purposes of these *Technical Notes*, the terms "FSCO" and "Superintendent" are used interchangeably to mean "the Superintendent of Financial Services".

Also, **bolded and underlined** sections of the *Technical Notes* must be viewed as critical issues that insurers must adhere to when submitting filings.

There are five different Rate and Risk Classification *Filing Guidelines* depending upon the types of changes proposed.

1. ***Private Passenger Automobile Filing Guidelines – Major:*** to be used when an insurer is initially entering the private passenger automobile insurance market, or is changing existing automobile insurance rates but the changes proposed do not meet the criteria for the *Simplified Filing Guidelines*. Where rates for other categories of automobile insurance are dependent on the private passenger automobile rates (e.g., motorhome rates are dependent on private passenger rates), they must be included within the filing. **These Filing Guidelines are to be used by the Facility Association for all categories of insurance.**
2. ***Private Passenger Automobile Filing Guidelines - Simplified:*** to be used when the insurer is filing for changes to private passenger automobile insurance rates or risk classification systems and the changes proposed meet the criteria as set out in **Exhibit 1** of the *Technical Notes*. Where rates for other categories of automobile insurance are dependent on the private passenger automobile rates (e.g., motorhome rates are dependent on private passenger rates), they must be included within the Simplified filing.
3. ***Private Passenger Automobile Filing Guidelines – CLEAR Simplified:*** to be used to implement the current year CLEAR vehicle rate group (VRG) table.
4. ***Other Than Private Passenger Filing Guidelines - Major:*** to be used when an insurer is initially entering the insurance market for a category other than private passenger automobile insurance or when changes proposed meet the criteria set out in **Exhibit 3 of the Technical Notes** or when requested by FSCO to use it. Where rates for a category of automobile insurance are dependent on the rates of another category (e.g., public vehicle rates are dependent on commercial vehicle rates), they must be included within the filing.
5. ***Other than Private Passenger Filing Guidelines - Minor:*** to be used when the insurer is filing for changes to automobile insurance rates or risk classification systems for other than private passenger (e.g., insurer is filing for motorcycle rates). Where rates for a category of automobile insurance are

dependent on the rates of another category (e.g., public vehicle rates are dependent on commercial vehicles rates), they must be included within the filing.

When proposing rate or risk classification changes, insurers must also have regard to Superintendent's Bulletins that may be issued from time to time. Bulletins are listed on FSCO's website at: www.fSCO.gov.on.ca.

B. Requirement to File

Section 7 of the *Automobile Insurance Rate Stabilization Act, 2003* allows the Superintendent to order any insurer to apply to the Superintendent for approval of the risk classification system and the rates it intends to use for all coverages of the Personal Vehicles — Private Passenger Automobile category of automobile insurance.

The requirement to file rate and risk classification changes also includes the following:

1. where an insurer is proposing to use Insurers' Advisory Organization (IAO) advisory rates;
2. where an insurer is updating vehicle rate groups (refer to E8. Rate Group Drift and E18. Vehicle Rate Group Changes in the *Technical Notes*);
3. where an insurer is changing rates for categories of automobile insurance that are dependent on another category of automobile insurance (e.g., public vehicle rates that are dependent on commercial vehicle rates);
4. interim and annual anniversary Usage Based Insurance Pricing Program reports (Refer to E20 of these *Technical Notes*);
5. annual anniversary rate capping reports (refer to E22 of these *Technical Notes*).

If an insurer uses rates or risk classification systems that are not approved or authorized by the Superintendent, it may be subject to regulatory action by FSCO.

C. Filing Documentation

In general, documentation must be in sufficient detail to enable the reviewer to trace the resulting rates from the raw data experience and other supporting data. If market analysis information is used by the insurer in developing the proposed changes, this information must be provided within the filing. For more specific details, please refer to the appropriate *Filing Guidelines*. **Failure to provide documentation, as outlined in the *Filing Guidelines*, will result in the filing being deemed incomplete, and delay review and approval of the filing.**

D. Reviewing Rate Adequacy

Insurers should regularly review the adequacy of rates for **all** categories of automobile insurance so that consumers are less likely to experience large rate changes.

It is suggested that you plan your rate filing activities in advance, to avoid having more than one rate filing under review for a specific category at any one time. FSCO will not begin reviewing another submitted rate filing, until the most recent submission is approved.

The legislation requires that all risk classification systems be just and reasonable, reasonably predictive of risk, and distinguish fairly between risks. Also, under legislation, rates must be just and reasonable, not impair the solvency of the insurer, and not be excessive in relation to the financial circumstances of the insurer.

E. Major Filings

Outlined below are specific components to take into consideration when preparing your rate filing where full rate level indications are required. The references are to the appropriate sections of the [Private Passenger Automobile Filing Guidelines - Major](#).

1. Loss Data (4.b.)

- a) The insurer's own current direct (i.e., prior to reinsurance transactions) loss data must be provided, otherwise the filing will be deemed incomplete. Losses covered by policy endorsements should be excluded (except for OPCF44R).
- b) The insurer's own loss data must be used to the extent that it is credible.
- c) Loss data must be Ontario specific for the filed category of insurance at the coverage level. Valuation data for loss reserving purposes may not satisfy this requirement.
- d) Data at the major sub-coverage level is generally required for estimating ultimate costs. Aggregation will be required to estimate the required change in rates.

Loss experience should be subdivided at the major sub-coverage level as follows with consideration given to homogeneity and credibility of the data. The following are the major sub-coverages in the Loss Development Exhibits of the GISA Automobile Statistical Plan. Finer break-down of loss experience may be determined to be more appropriate.

TPL - bodily injury
TPL - property damage
TPL - direct compensation - property damage

Standard Accident Benefits
AB – Funeral
AB – Death Benefits
AB – Medical
AB – Rehabilitation
AB – Disability Benefits
AB – Supplementary (Quebec Excess Benefits)

Uninsured automobile

Collision

Comprehensive

All perils

Specified perils

Family Protection (OPCF 44R)

- e) For each coverage and major sub-coverage listed above, payment patterns must be developed for discounting purposes.
- f) The filing must use the most recent ratemaking data that is available. Accident full year and accident half-year loss development data on an industry-wide basis is generally

available in May and early November, respectively.

- g) Insurer automobile experience under the General Insurance Statistical Agency Automobile Statistical Plan (ASP) is generally considered to be appropriate for ratemaking purposes. Insurers that rely on alternative data sources should be able to reconcile closely with the insurer's Actual Loss Ratio and Loss Development Exhibit produced from the ASP as of a common evaluation date. Such insurers are required to provide a copy of the ASP exhibit data to demonstrate that the ratemaking data is reasonably accurate to support rate changes. If the data does not reconcile closely to the insurer's ASP exhibits, explanations will be necessary. This may delay the filing review process.

2. Loss Development (4.b.1.)

- a) The insurer must not solely use industry factors, unless the insurer can support why those factors are more appropriate than basing loss development on its own data.
- b) If loss development for a partial accident year is used, then comparable experience at the same level of maturity must be provided to support the selected loss development factors.

3. Loss Trend (4.b.2.)

- a) Loss trends are usually based on industry-wide experience. Loss trends based on the insurer's own experience may also be useful in better understanding the dynamics of the insurer's business.
- b) Selected loss trend assumptions must be supported with an analysis of the indicated loss cost changes using an appropriate loss trend methodology. Loss trend assumptions that do not follow the indicated loss trends must be rationalised and explained.
- c) Estimation of loss trend rates may be impacted by data exclusions due to data issues identified in GISA exhibit reviews. Use of GISA exhibit data without consideration of the cautionary notes in the exhibit could result in inappropriate loss trend rates used in filings.
- d) Loss cost trends are generally sufficient. However, frequency and severity trends are often reviewed and analysed separately in the selection of trend factors.
- e) Regulation changes could result in loss trend rates that are expected to be materially different from past loss trend rates. To assist with filings, past and future loss trend factors are provided as a reference in **Exhibit 2**.

4. Treatment of Large Losses (4.b.3.)

- a) The filing must clearly indicate how large losses in the experience period have been handled. If losses have been capped, a description of the large loss procedure and the effects of the caps must be demonstrated.
- b) A long period must be used in estimating the large loss provision to minimize statistical variations over years.
- c) Each insurer must ensure that large losses do not cause significant instability in the insurer's rates from one period to the next.
- d) Loss development data on a capped basis should be provided to support the use of capped loss development factors for the capped incurred loss amounts.

5. Catastrophe Provision (4.b.4.)

- a) A catastrophe procedure is used to remove aberrations in the underlying loss data caused by infrequently occurring, multi-claim, weather-related events.
- b) In the past we have considered a 2% loading on comprehensive coverage, the comprehensive portion of all perils coverage, and specified perils coverage, as a reasonable catastrophe provision.

6. Automobile Insurance Reform Adjustment Factors (4.b.5.)

- a) The filing must clearly indicate how historical loss experience has been adjusted for insurance reforms for the period in which proposed rates will become effective.
- b) To assist with filings, benchmark loss cost adjustment factors are provided as a reference for adjusting the pre-reform loss costs of a full period in **Exhibit 2**. Estimation of required loss cost adjustments for a mixed period (includes both pre and post reform loss costs) should be provided in the rate level calculations. FSCO's benchmarks are based on industry data which includes insurers with different risk profiles. These benchmark factors may be too high for some insurers and too low for others due to differences in risk profiles as compared to the industry. Insurers should consider the differences in the distribution of their own portfolio risks compared to the industry when providing support for their selected adjustment factors in their rate filings.
- c) The January 2015 Changes factors are in respect of the changes to the prejudgment interest rate used in calculating court awards for non-pecuniary losses and amendments made to the Statutory Accident Benefits Schedule to change interest rates. These rates are subject to periodic adjustment as set out under the Courts of Justice Act. The January 2015 Changes adjustment factors in Exhibit 2 are based on a 1.3% interest rate assumption.

7. On-Level Premium (4.e.1.)

- a) All premiums by coverage and territory used in the filing must be adjusted for previous rate changes. Endorsement premiums should be excluded.
- b) If the extension of exposures method is used for determining the on-level premium, documentation must be provided to demonstrate how it compares to the parallelogram method.

8. Rate Group Drift (4.e.2.)

- a) The gradual shift in the distribution of business to newer and more expensive cars results in increases in physical damage premiums. This must be explicitly reflected in deriving rate level indications. Otherwise, rate indications for certain coverages will be misstated.
- b) The annual industry average changes in rate group differentials are determined and published by the Insurance Bureau of Canada (IBC). Insurers are still required to provide their rate group distributions to support the selected rate group drifts.
- c) The rate group drift must be taken into consideration annually.

9. Finance Fees/Charges (4.e.)

Finance fees or charges collected through premium instalment plans must be included in premiums. Premium payment pattern may be adjusted for policies with premium instalment plans. This revenue must be included in the ratemaking methodology in the filing (i.e., by taking into account the effect of finance fee revenue on the rate level indication).

10. Tax Rates (4.e.)

- a) Insurers should reflect the corporate tax rates expected to be effective for the period of the proposed rates, where applicable.

11. Expenses (4.f.)

- b) Some general expenses may vary as a function of premiums or exposures, while others, such as salaries and rent, may follow inflation or other economic conditions.
- c) A reasonable approach is to treat commissions and premium taxes as premium variable expenses and treat all other expenses as fixed expenses. Treating all general expenses as a variable of premiums is generally inappropriate. Fixed expenses are normally allocated to compulsory coverages. Some insurers may, through additional analysis, use a three-way split, which we have also found to be reasonable.
- d) FSCO is unlikely to approve any filing that will pass through to consumers an expense provision, excluding unallocated loss adjustment expenses (ULAE) and excluding allocated loss adjustment expenses (ALAE), that is significantly higher than the industry average expense provision set out in **Exhibit 2**. As well, FSCO is not likely to approve filings where the ULAE varies significantly from the industry average.
- e) It is FSCO's stated position that any expenses associated with reinsurance costs and any profit or loss effects from the residual market, cannot be included as an element of general expenses. This is explained in the filing guidelines.
- f) There must be no expense provision established in respect of the Facility Association Residual Market, unless there is a known subsidy in its operation. Risk Sharing Pool must be treated as direct business and therefore must be reflected in the direct loss and premium data.
- g) FSCO is unlikely to approve any filing that contains a contingent commission provision that is higher than the industry average.
- h) FSCO is unlikely to approve any filing that contains a health levy provision that is different from that calculated in accordance with O. Reg. 401/96 – *Assessment of Health System Costs*.
- i) Significant differences in expense provisions between that included in a rate filing and expense data submitted to GISA must be explained.

12. Underwriting Profit Provision

- a) **Exhibit 2** of the *Technical Notes* includes the regulatory profit benchmark (expressed as a % of rate) for use in the development of the actuarially indicated rate. In general, the actuarially indicated rate is developed by the following ratemaking formula:

$$I = (\text{Expected Loss Cost} + \text{Fixed Expense}) / (1 - \text{Variable Expense Provision} - \text{Target UW Profit Provision});$$

Where I is the indicated rate; both the Variable Expense Provision and Target UW Profit Provision are expressed as a % of premiums; all costs are discounted to reflect investment income on cash flows.

- b) If the rate model develops an underwriting profit provision that is related to the cost of capital, supporting exhibits must be provided to support the calculation of the provision. The supporting exhibits must clearly present the assumptions and parameters employed in the model, and the

resulting target underwriting profit provision must be clearly stated.

- c) FSCO is unlikely to approve a rate filing that passes along an underwriting profit that is greater than FSCO's benchmark on an all-coverages combined basis.

13. Investment Returns and Cash-Flow Rate

- a) The rationale for assumptions must be made based on the current economic environment.
- b) While expected investment returns should consider new money rates, we anticipate that the expected investment return will be close to the actual investment return the insurer earned within the recent past. Significant differences must be explained and justified.

14. Credibility (4.h.)

- a) Credibility standards and the complement of credibility should be consistent from one filing to the next. Changes in either the standards or the complement of credibility must be outlined and justified.
- b) Credibility standards must also be reasonable in the circumstances. The purpose of credibility weighting is to provide a balance between stability and responsiveness of an estimate. Standards that are too low may cause significant instability in the indicated rates. Those that are too high may reduce responsiveness of a rate change.
- c) A commonly used standard of 1,082 claims for short tail, low severity coverages, such as property damage and physical damage, is considered reasonable. The use of a higher standard in long-tail, high severity coverages in the form of a multiplier of the base standard, is considered reasonable.
- d) Due to the nature of Bodily Injury (BI) claims, the BI claim count must not be combined with the PD claim count to assess the credibility component of the Third Party Liability (TPL) experience data.
- e) If prior filing indications are utilized in the credibility complement and significant differences have been communicated to the insurer regarding the indications, consideration must be given to adjusting the prior indication for these differences before utilizing it in the current credibility complement.
- f) If an alternative body of data experience is used as a credibility complement, exhibits must be included to show the adjustments made to this data for risk distribution differences. Differences in loss costs or loss ratios due to differences in risk characteristics (other than distributional differences) between the data groups should be considered and adjusted where appropriate.

15. Indicated Rate Changes and Proposed Rate Changes (4.j.)

- a) The indicated rate change should be based on at least three consecutive years of actual experience.
- b) Proposed rate changes must be in the same direction as the indicated rate change direction at the coverage level. For example, if the indicated rate change for TPL-BI is positive and the indicated rate change for Standard AB is negative, we expect that the proposed rates for TPL-BI must increase and the proposed rates for Standard AB must decrease, even though both TPL and AB are compulsory coverages.
- c) Significant differences at the coverage level between the indicated and proposed rate changes must be explained.

- d) The data included in the experience period must be readily reconcilable with information provided in Appendix A of the insurer's filing.
- e) It must be readily apparent how the investment income assumptions have been reflected in the calculation of the indicated rate change.
- f) Both indicated and proposed rate changes must take into consideration the changes to coverages resulting from automobile insurance reforms.
- g) Rationale and other considerations in support of the proposed rate changes must be provided.
- h) **Insurers should regularly review their indicated rate levels and current rate levels for all categories of automobile insurance.**

16. Territory, Class, Driving Record and Other Differential Changes (4.k. and 4.m.)

- a) In order to ensure rate equity and minimize rate dislocation, insurers must cap differential changes at +/-10% from the current differential in the direction of the coverage indication. The +/-10% is to be measured from the current differential after re-basing the average proposed differentials to the same average current differentials for each coverage as well as overall. This requirement applies in cases where the insurer is changing the territorial differentials due to changes to the territory definitions.
- b) Overall dislocation should be carefully reviewed by the insurer.

17. Territorial Definition Changes (4.k.3.)

If an insurer is proposing to make territorial definition changes, the insurer must demonstrate that the following conditions are met:

- All newly formed territories are based on a minimum of three years of insurer data and at least 2,500 annualized average vehicles over the three-year period where a unique territory definition is proposed.
- There are no more than 55 territories in the Province of Ontario and no more than 10 territories in the City of Toronto.
- All territories consist of geographic areas that are contiguous i.e., have a common boundary.
- The rates for newly formed adjoining territories do not vary by more than $\pm 10\%$.
- A common territorial definition is used for all coverages.
- Large claims should be capped in establishing territorial rates.
- When territorial definitions are changed due to the movement of Forward Sorting Areas (FSAs), the +/-10% for the proposed territory is measured based on the weighted average of the insurer's current territorial differentials for each coverage as well as overall.

Territorial definitions are part of an insurer's risk classification system. Where an insurer's approved territory definitions are based on postal codes, a further filing must be made and approved by FSCO to change the definitions based on postal code (e.g., a postal code change by Canada Post that results in a new postal code that lies outside of the boundary of an existing approved territory). An insurer

cannot change territorial rates without an approved filing because Canada Post has made changes to postal codes. A changed postal code that falls within an approved territory does not need to be filed with FSCO.

An insurer must provide coloured maps for all territories, even where a change of definition is being proposed for only one territory, setting out current and proposed territorial structures, including the territory names, as well as a physical description of the territory. The insurer must also indicate all of the FSAs that fall within that territory, if applicable. The insurer must be prepared to certify that the territories are contiguous and that the maps are accurate.

18. Vehicle Rate Group Changes (4.l.)

- a) An insurer may use the Major or Simplified Filing Guidelines if changes to Private Passenger vehicle rate group differentials are being proposed.
- b) Even if an insurer is simply updating the annual CLEAR vehicle rate group tables, the rate group drift must be taken into account.

19. Predictive Models (4.m.)

- a) In a Generalized Linear Model (GLM) or Generalized Additive Model (GAM) or other analytical pricing methods, the model results must be summarized to include the earned exposures, number of claims, indicated loss costs or loss ratios, indicated relativities and re-balanced relativities.
- b) Raw data results summarized on a one-dimension basis for the proposed classification variables must be readily available for review when requested.
- c) Regression statistics such as the R-square, T-values, degree of freedom, correlation coefficient and standard of errors must be included to illustrate the statistical significance of the proposed variables.
- d) Credibility of data and use of a credibility standard in the calculation of indicated relativities must be shown.

The following must be included in the filing:

- Segment and/or score must be clearly articulated.
 - The score for each variable being used.
 - A description of the data analysed and a list of all rating variables used in the analysis.
 - A description of the training data used (e.g., 50% of the data).
 - A description of the credibility procedures and selected credibility thresholds.
 - A description of the coverage analysis performed (frequency, severity or loss ratio).
 - A description of the validation data used (showing that the correlation between the training data and the validation data is greater than 90%).
 - The loss ratio history or experience for each "bucket".
 - A description of the lift and the relativity between the highest segment differential and the lowest segment differential.
 - The maximum number of variables and parameters being proposed (note that all are required to be statistically significant and may not contain any prohibited factors or be surrogates for a prohibited factor).
 - A rationale for the final selection of variables and parameters.
 - A brief description on the expectation or process for future filings (e.g., does the predictive model have to be re-run every time a rate change is made).
- FSCO must be able to determine the final rate change based on the risk factors as well as calculate and validate the premium calculation based on the details included in the filing.

- **20. Usage-Based Insurance Pricing (UBIP) Programs**

- a) Initial Discount

Any UBIP discount must be filed with and approved by FSCO. An insurer may rely on non-Ontario data at the introductory stage of UBIP.

It is recommended that any initial discounts be conservatively set until such time as the Ontario experience emerges. Insurers should recognize that UBIP filings are more complex and may require a longer review time.

Insurers also are required to demonstrate that the underlying assumptions used in a UBIP program are reasonable and continue to be reasonable. The filing must clearly indicate:

- What driving behaviours are being measured (e.g., acceleration or deceleration rates, speed, distance travelled),
- how this data is measured (e.g., frequency, occurrence, relevant thresholds),
- how this data is normalized and categorized for rating purposes (e.g., total occurrences, averaged), and
- all relevant claim experience (e.g., claim severity, claim frequency and loss costs) that are needed to support the proposed UBI discount.

Any recalibration to the UBIP, including any updates or subsequent adjustment to UBIP algorithm, formula, event definition, capping and threshold, must be submitted to FSCO for formal approval.

Conditional Approval (subsequent applications)

FSCO will initially approve UBIP programs in Ontario on a conditional basis and will require insurers to file subsequent applications after gaining two years of experience in the Ontario market.

All approval orders for private passenger filings that include the introduction of a UBIP will contain conditions similar to these:

1. *The risk classification system and rates approved in connection with [Insurer Name]'s usage based insurance program trademarked as [UBIP trademark name] may be used only for new and renewal [UBIP trademark name] business with policy effective dates that are not later than [a date two years from approval date].*
2. *Continued use of the approved risk classification system and rates used in connection with the [UBIP trademark name] beyond the period described in paragraph 1 is not permitted, except as may be approved by FSCO in the event [Insurer Name] files a subsequent application for approval of the risk classification system and rates that [Insurer Name] proposes to use with the [UBIP trademark name] program beyond that period.*
3. *FSCO will require any subsequent application as referred to in paragraph 2 to include information, material and evidence demonstrating [Insurer Name]'s experience with the [UBIP trademark name] program as FSCO deems necessary in order to make a decision with respect to the application and [Insurer Name]'s continued operation of the [UBIP trademark name] program.*

Any UBIP anniversary filings that do not contain actuarial support will continue to be approved on a conditional basis until such support is acquired by the insurer.

UBIP Interim and Anniversary Reporting Requirements (For PPA only)

As part of the approval process, insurers will be notified that they are required to submit interim update reports to FSCO in the intervening two years (between approval and required resubmission). These reports will be required annually and in the format prescribed by FSCO.

The interim update reports will assist in tracking the experience with the insurer's new UBIP model, including adoption rates, average discounts, and any issues that the insurer has observed. This may include consumer feedback and complaints, issues with the selected variables or with the methodology used to calculate the discount.

b) Subsequent Filings

Initial UBIP models may first be reviewed and approved by FSCO in principle, following which an insurer would make a formal filing for formal FSCO approval. FSCO approval of the filing could be made conditional on further filings being required at scheduled intervals after the initial approval to provide the necessary continued support for the UBIP rating system, including a full description of any refinements that the insurer intends to make as it develops experience with the UBIP program as initially approved.

Where the enrollment discount is only offered for one term, or where the impact of the actual UBIP discount is expected to differ materially different from the enrollment discount, the insurer will be required to submit a report to FSCO (in addition to any other filings that are submitted) that will account for the change in the average UBIP discount and, as a result, the average rate level change that will flow from the discount, as at each anniversary of the introduction of the discount.

FSCO may also request insurers to submit rate filings for re-calibration to the UBIP to support the UBI discount when Ontario UBI experience emerges based on insurers' experience.

c) Form and Endorsement Requirements (see also [Forms Filing Guidelines](#))

In Ontario the mechanism for adding new terms to, or amending existing terms of, the standard auto policy is by way of an endorsement form. Under the *Insurance Act* no auto insurer may use an endorsement form unless it has first been approved by FSCO.

FSCO will require insurers to file any form provided to the consumer to document the terms and conditions of participation in a UBIP program as an endorsement in accordance with section 227 of the *Insurance Act* in order to have it subject to a review and formal approval by FSCO. This will ensure that both FSCO and the consumer are aware of what and how the consumer's personal information will be used.

d) Treatment of UBIP Program Costs and Expenses

Insurers must clearly demonstrate the up-front or start-up costs associated with developing and introducing a UBIP program, as well as all ongoing maintenance and other expenses associated with offering the program, including but not limited to all costs associated with the UBIP device, data transfer and analysis, marketing and any third party provider contracts.

The insurer must include this information in a filing regardless of whether the insurer has factored this cost into the rate assumptions. Some insurers may treat start-up costs as part of research and development and not specifically allocate them. It is expected that over time the on-going operational costs should be taken into account in determining the discount. FSCO will be sensitive to the allocation of these expenses and the issue of UBIP costs being borne by policyholders not participating in the program.

21. Introduction of New Discounts/Surcharges or Differentials

- a) Insurers may have innovations in pricing auto insurance through the introduction of new discounts/surcharges and differentials. Data should be provided in support of a new discount/surcharge or differential. FSCO will consider non Ontario data, provided it is credible and relevant to the current Ontario product.
- b) If an insurer is proposing to adopt a discount/surcharge or differential that is in use by other auto insurers in Ontario, it must provide the supporting information, i.e., the names of the insurers and the level of the discount/surcharge or differential, within the filing.
- c) Once the new discount is approved, to ensure stability in the market, it must be in existence for at least three years before the insurer can withdraw it from its risk classification system. Insurers must collect data and, once sufficient data has been gathered, be prepared to amend the discount/surcharge or differentials accordingly.
- d) Multi-line discounts (auto and property) should not be applied to the automobile policy until the property policy is effective. Where an insurer chooses to apply the multi-policy discount to the automobile policy prior to the effective date of the property policy a rationale must be provided. A procedure must be in place to deal with situations where the property policy does not ultimately come into force. In no instance should the discount be allowed to be applied more than six months prior to the proposed effective date of the property policy.
- e) FSCO is unlikely to approve a rate filing if the insurer's proposed rate level change includes an overstatement with respect to the estimated impact of the introduction of a new discount.

22. Dislocation and Capping Premium Increases (Rate Capping) (7.g.)

Insurers must take into consideration the impact that proposed rate changes will have on consumers. Information on rate dislocation is required in Appendix A. Any proposed capping procedure must be fully described in this section. The capping impact must be calculated based on the main coverages, including OPCF 44R but excluding endorsements and Optional Accident Benefit coverages. The capping procedure must indicate which coverages are specifically covered by capping.

While capping is usually done at the differential level, capping at the total premium per vehicle level is permitted only under the limited circumstances outlined below. Capping premium increases (positive capping) will be considered for approval by FSCO in minimizing dislocation under the following circumstances:

- a) Insurance Company Mergers and Acquisitions: Due to the potential complexity of such situations, insurers will be required to develop a plan to phase out positive capping (if it is proposed) within a two-year time period.
- b) Extensive Risk Classification System Changes: When insurers are introducing new variables or unbundling existing ones that create, for example, a situation in which more than 20% of their customers see an increase of more than 20%, positive capping may be considered for a period of two years or less (i.e., from the effective date of the approved rate filing for renewal business). The proposed rate cap must be at the same level for each risk that is affected on the total premium per vehicle, regardless of the different risk classification system or level of coverages purchased.
- c) Insurers may continue to submit rate filings during this period; however, no new positive capping will be considered for approval by FSCO unless the positive capping from the previously approved filing has been exhausted.

Requirements:

- a) Insurers must provide the “uncapped” overall proposed rate level change along with the “capped” overall proposed rate level change in a rate filing where positive capping is initially proposed.
- b) Insurers are required to track all policies where positive capping has been applied and the reason. Insurers are also required to track all policies on which, in accordance with an approved rate filing, the positive cap has not been applied and the premium increase therefore exceeds the cap. This information must be tracked by the insurer on an ongoing basis and made available to FSCO upon request.
- c) The capped overall rate level change will be published on the FSCO website for quarterly rate approvals when rates are initially capped. As the cap is unwound, FSCO’s website for quarterly rate approvals will reflect the annual impact of the unwinding of the cap.
- d) Where FSCO has approved a filing containing initial rate capping, and there is therefore an identified capped amount and an identified uncapped amount, the entire amount of the uncapped increase will be reported on the first anniversary of the renewal effective date of the filing unless the insurer files an alternate number.
- e) Insurers are required to submit annual reports (anniversary reports) to FSCO that describe, in the manner set out in paragraphs (f) to (h) below, the impact of the cap in each subsequent year until the cap is exhausted. **Each anniversary report must be delivered to FSCO no later than 90 days before each anniversary of the effective date, for renewal business, of the filing that introduced the cap. If an anniversary report is not filed by the due date, any filing submitted for approval after the due date will be deemed incomplete, and any filing for which approval is pending as of the due date will be deemed to require further information, until the anniversary report is filed.**
- f) The capping amount that is **unwound** in the year must be reported in the anniversary report. The percentage of the unwinding effect in the current anniversary report together with the amount of capping to be reported in future anniversary reports must reconcile with the difference between uncapped and capped increases reported to date, assuming no changes in the distribution of risks. The rationale for any significant differences must be provided.
- g) The amount of unwinding the cap in the first anniversary report is the difference between the capped premium in PY1 (policy year 1) and the capped premium in PY2 (policy year 2), where PY1 is the one year period from the effective date of the *initial* capping filing, etc. The amount of capping to be unwound in subsequent anniversary reports is the difference between the manual (uncapped) premium and the capped premium for the effective period.
- h) The following information is required in the anniversary report:
 - a description of the methodology used;
 - a chart showing the distribution of business for the in-force book that was subject to the original cap;
 - a chart showing the distribution of business for the current in-force book that is subject to the cap;
 - a list of all rate filings impacted by the capping together with the uncapped and capped rate changes.
- i) Capping will not be permitted under the following circumstances:
 - Base rate changes only;
 - Broker portfolio transfers or acquisitions;
 - Premium decreases (negative capping).

23. Auto Insurance Manual Pages

A draft set of manual pages containing proposed rating rule changes or definition changes must be provided in the filing.

Any changes or additions to the rating rules, definitions or text in the proposed Auto Insurance Manual, must be denoted by a side bar (|).

A final complete set of manual pages in electronic format (or CD), containing the approved risk classification system must be submitted within 30 days after the filing has been approved, in accordance with the [Automobile Insurance Manual Filing Guidelines](#). Failure to submit an Automobile Insurance Manual filing can be treated as a compliance matter and the insurer may be subject to further regulatory action by FSCO. The insurer must include a copy of the most current vehicle rate group tables in the manual filed with FSCO.

F. Rate Filing Checklist for Major Filings

In order to further assist insurers when preparing their filings, attached as **Exhibit 4**, is a checklist that insurers can use prior to submission of a Major filing. By using this checklist, an insurer may ensure that the filing is complete and the documents required in the filing are included.

CRITERIA FOR SIMPLIFIED FILINGS

The following criteria must be met for an insurer to be able to use the Simplified Filing process. Please note that this information is updated annually so please ensure you have the most current criteria.

(a) Initial Rate Change Requirements

- On an all coverages combined basis, the proposed overall rate level change must be less than or equal to 0.0%.
- Any existing territorial base rate or differential change must be between -15.0% and +5.0%.
- Any other changes to existing differentials or risk classification elements must be between -15.0% and +5.0% with no off-balancing. Each change to a differential is to be measured with reference to the current differential after re-basing the average proposed differentials to the same average current differentials for each coverage.
- Changes to existing risk classification elements including discounts, rating variables and rating rules are permitted. A rationale must be provided for any change.
- The introduction of a new discount is permitted, except for any usage-based (telematics) discount. A discount being proposed must be identical to a discount already approved for another insurer and currently being used in the Ontario market.
- No changes to the rating algorithm are permitted, except when new discounts are being proposed by the insurer.

(b) Rate Level Recovery Option Requirements

- An insurer can recover up to 50% of the most recently approved rate level reduction under the *Simplified Filing Guidelines* process (not the *CLEAR Simplified Guidelines* process).
- The recovery rate change can only be made to rates and risk classification elements that were previously approved by FSCO through the *Simplified Filing Guidelines* process.
- The rate recovery must apply at a coverage base rate level change and not to previous reductions in the differentials.
- A rate level recovery filing may propose a rate recovery to be effective no sooner than the one-year anniversary of the effective dates of the prior rate reduction approved by FSCO.
- No Private Passenger Automobile Major rate filing was submitted or approved during the intervening period between the two filings.

(c) Cumulative Impact

- The cumulative impact of all the proposed changes in the initial Simplified Filing and rate level recovery option does not result in a rate increase of more than 15% to any one consumer.

BENCHMARK ASSUMPTIONS FOR PRIVATE PASSENGER AUTOMOBILE INSURANCE FILINGS FOR REFERENCE PURPOSES

The following benchmark assumptions are provided for your information. The benchmarks are being released to facilitate the preparation of filings and are based on the most recent Ontario industry private passenger data available through the Automobile Statistical Plan. Additional details on the analysis of benchmarks are provided in a separate document titled "Analysis of Reform Cost and Loss Trend Rates for Ontario Private Passenger Automobile Insurance".

1. Loss Trends

Loss trends should reflect the expected changes in loss costs in the future period that new rates will be effective. The benchmark loss trends are evaluated based on all industry private passenger automobile insurance data as of June 30, 2018. The benchmark loss trends are updated regularly and used by FSCO to assess the reasonableness of loss trend assumptions.

Standard Coverage	Past Trend*	Future Trend*
Third Party Liability – Bodily Injury	2.3%	2.3%
Third Party Liability – DCPD and PD-Tort	8.8%	7.2%
Third Party Liability – Total	5.2%	4.5%
Accident Benefits – Medical Benefits	5.5%	5.5%
Accident Benefits – Rehabilitation/Attendant Care	6.0%	6.0%
Accident Benefits – Disability Income	4.5%	4.5%
Accident Benefits – Death Benefits	0.4%	0.0%
Accident Benefits – Funeral Services	-0.2%	0.0%
Accident Benefits – Quebec Excess	0.0%	0.0%
Accident Benefits – Total	5.4%	5.4%
Uninsured Automobile	-2.5%	-2.5%
Underinsured Motorists (OPCF 44R)	10.7%	10.7%
Collision	8.5%	6.6%
Comprehensive	3.8%	3.8%
Specified Perils	26.5%	26.5%
All Perils	8.7%	7.2%

*Cut-off date for the past and future trends is April 1, 2018

2. 2015 and 2016 Reform Benchmark Cost Adjustment Factors

The column titled "Reform Benchmark Cost Adjustment Factors – Includes January 2015 Changes, June 2016 Changes and FSCO's 2%" in the following table includes the automobile insurance reform cost adjustment factors benchmarked for use to reflect the impact of the 2015 and 2016 reforms on loss costs. These adjustment factors are provided for adjusting accident year experience loss costs from pre-reform to post-reform levels.

Standard Coverage	Reform Benchmark Cost Adjustment Factors
Private Passenger Automobile	Includes January 2015 Changes, June 2016 Changes and FSCO's 2%
Third Party Liability - Bodily Injury	0.768
AB - Medical	0.830
AB - Rehab/Attendant Care	0.583
AB - Medical/Rehab/Attendant Care	0.760
AB - Disability Income	0.856
AB - Death Benefits	0.987
AB - Funeral Benefits	0.988
Total Accident Benefits	0.782
All other Coverages	0.980

3. Underwriting Profit Provision Benchmark

A target Underwriting Profit Provision of 5.0% is considered to be reasonable for use in the development of actuarially indicated rates.

4. Discount Rate for Cash Flow

A rate of 2.25% is considered to be reasonable for discounting claims costs for use in the development of actuarially indicated rates.

5. Expense Provision

FSCO is unlikely to approve any filing that would pass through to consumers an expense provision that is significantly higher than the industry average. **Based on industry expense information, the average underwriting expense (excluding both allocated and unallocated loss adjustment expenses) is approximately 25% of premiums for the private passenger automobile insurance line in Ontario.** FSCO will consider the type of distribution channel that a company uses to assess an appropriate expense provision.

**OTHER THAN PRIVATE PASSENGER AUTOMOBILE - MAJOR FILINGS AND
OTHER THAN PRIVATE PASSENGER AUTOMOBILE - MINOR FILINGS**

A “major” filing for a particular category of automobile insurance, other than a Private Passenger Automobile filing, needs to be submitted where:

- the insurer’s annual direct written premiums meet or exceed the level specified below **AND** the Average Cumulative Rate Change for the filed category is 10% or more (the Average Cumulative Rate Change is calculated in accordance with the instructions in Section 2 of the *Filing Guidelines* and is to be provided in response to Question 5b of Appendix A);

or

- the insurer is filing for a category of automobile insurance that was not previously written by the insurer;

or

- the insurer is required by FSCO to submit a major filing;

or

- the insurer has not filed for this category in the last 3 years and a rate change of 10% or more is proposed.

or

- the insurer is proposing to:
 - i. introduce any element that is new to Ontario;
 - ii. introduce any element using predictive modeling or any other non-traditional approach;
 - iii. introduce Rate Capping procedures;
 - iv. remove Rate Capping procedures; or
 - v. introduce Usage-based Insurance.

For major filings, full actuarial documentation must be provided. For minor filings, only summary information is required.

The annual direct written premium levels vary by category as follows:

<u>Categories</u>	<u>Level</u>
Personal Vehicles - Motorcycles	\$ 5,000,000
Personal Vehicles - Motorized Snow Vehicles	\$2,000,000
Personal Vehicles - Off-Road Vehicles	\$3,000,000
Personal Vehicles - Motorhomes	\$2,000,000
Personal Vehicles - Historic Vehicles	\$2,000,000
Commercial Vehicles	\$ 20,000,000
Public Vehicles	\$2,000,000

Notes:

- (1) The insurer's annual direct written premiums for the **latest** complete calendar year should be used in applying the levels noted above.
- (2) Fleet premiums are to be excluded in applying the levels noted above.

RATE FILING CHECKLIST FOR MAJOR FILINGS

- Notes:** (1) *The main focus of this checklist is to highlight the most common issues we have encountered in the past while reviewing filings and is not intended to be a comprehensive checklist. You should refer to the Filing Guidelines and Technical Notes for more details.*
- (2) *In general, the documentation should be in sufficient detail to enable the reviewer to trace the resulting rates from the raw data experience and other supporting data.*

Section 1. Table of Contents

- Is a table of contents included?
- Is each section of the filing labelled according to the guidelines and made reference to by page number?

Section 2. Summary of Information (Appendix A)

- Is a duly completed Summary of Information (Appendix A) provided?

Section 3. Certificates

- 3a. Is a Certificate of the Officer/Designate (Appendix B1) included?
- 3b. Is a Certificate of the Actuary (Appendix B2) included? (not applicable for fees-only filings or for Optional Accident Benefits/Tort Deductibles-only filings).

Section 4. Actuarial Support

- Are all pages labelled/numbered according to the guidelines?
- 4.a. Is an Overall Description of Ratemaking Methodology and Summary provided?
- 4.b. Losses
- Is the source of data identified?
- If company data (exposure, premium, claims and losses) as reported to the Automobile Statistical Plan (ASP) was used in the rate filing, are there any data quality problems which significantly affect interpretation of the statistical plan experience?
- If company data (exposure, premium, claims and losses) as reported to ASP was not used, does the ratemaking data reconcile closely with the data reported to ASP, and any differences explained?
- Are all of the data reported on Appendix A, pages A4 & A5 in respect of the two most recent accident years and reconciled against the ratemaking data, and any differences explained?
- Are direct losses (prior to any reinsurance transactions) used?
- 4.b.1 Loss Development
- Are the company loss development triangles provided?
- Is the rationale for the selected loss development factors provided?
- 4.b.2 Loss Trends
- Is the source of data identified?
- Is the support and rationale for the selected loss trends provided?

RATE FILING CHECKLIST FOR MAJOR FILINGS

- 4.b.3 Treatment of Large Losses
 If any special treatment of large losses in the overall and/or territorial rate calculations are used, is a full description and rationale provided?
- 4.b.4 Catastrophe (or Excess Claim) Procedure
 If an explicit catastrophe procedure is used, is a full description and rationale provided?
- 4.b.5 Auto Reforms Adjustment
 Have adjustments to losses been made for all recent auto insurance reforms?
- 4.b.6 Other Adjustments
 If any other adjustments are made to the loss data, is a full description and support provided?
 What is the source of data?
- 4.c. Allocated Loss Adjustment Expenses (ALAE) - ***if applicable***
 Is the source of data identified?
 If company data as reported to ASP was not used, does the ALAE data used reconcile closely with the data reported to ASP, and any differences explained?
 Are direct ALAE amounts (prior to any reinsurance transactions) used?
- 4.c.1 ALAE Development
 Is the company ALAE development triangle provided?
 Is the rationale for the selected ALAE development factors provided?
- 4.c.2 ALAE Trends
 Is the source of data identified?
 Is the support and rationale for the selected ALAE trends provided?
- 4.c.3 Catastrophe (or Excess Claim) Procedure
 If an explicit catastrophe procedure is used, is a full description and rationale provided?
- 4.c.4 Other Adjustments
 If any other adjustments are made to the ALAE data, is a full description and support provided?
- 4.d. Unallocated Loss Adjustment Expenses (ULAE)
 Is a complete description and all supporting data and exhibits included?
 Does ULAE vary significantly from the industry average and if so has appropriate explanation been provided?
- 4.e. Premium
 Is the source of data identified?
 Are direct premium (prior to any reinsurance transactions) used?

RATE FILING CHECKLIST FOR MAJOR FILINGS

- 4.e.1 On-Level Adjustments
- Is the approach described?
 - If the parallelogram method is used, are the calculations disclosed?
 - If the “extension of exposures” method is used, is a comparison with the “parallelogram method” provided and significant differences explained?
 - Is history of rate changes for each coverage for the prior five years provided?

- 4.e.2 Premium Trend
- Is the source of data underlying premium trend calculations identified?
 - If company exposure distributions by rate group are used, are the distributions at applicable time periods provided?

- 4.e.3 Other Adjustments
- If any other adjustments are made to the premium, is a full description and support provided?

- 4.f. Other Expenses
- Is the allocation of the expenses between exposure variable (fixed) and premium variable (variable) provided?
 - Is the most recent company expense experience provided?

- 4.g. Underwriting Profit Provision
- Is sufficient detail for the determination of the expected rate of return on policyholder supplied funds provided?
 - Is sufficient detail for the determination of the target and proposed underwriting profit provision provided?
 - Are the pay-out patterns by coverage provided?
 - Is an appropriate tax rate included?

- 4.h. Credibility
- Is the credibility standard and the partial credibility formula provided?
 - If a credibility complement is used, is a description of the approach, data source and details of all necessary adjustments provided?

- 4.i. Other Adjustments
- If any other adjustments are made that will affect the expected premium or losses, is the effect quantified and their effects disclosed and supported?

- 4.j. Summary Rate Level Indications
- Have summary sheets showing how the data combines with the adjustments and provisions outlined in subsections (4.b.) to (4.i.) been provided?
 - If experience weights are different from the previous major filing, are the changes disclosed, and the rationale provided?

RATE FILING CHECKLIST FOR MAJOR FILINGS

- 4.k. Territorial Indications and Proposed Differentials - ***if applicable***
- 4.k.1 Indicated Differentials and Proposed Differentials
- Is a detailed description of the approach provided?
 - Is the source of data identified?
 - Is a comparison of current, indicated and proposed territorial differentials, as well as the rebased current, indicated and proposed differentials, provided?
 - Is the premium distribution and exposure distribution by territory and by coverage provided?
 - Are the rebased indicated and proposed changes in the direction of the indication and within +/-10%?
- 4.k.2 Off-Balance
- If the proposed territorial changes are being off-balanced, is the data used in the process of calculating the off-balance and all calculations provided?
 - If the proposed territorial changes are not off-balanced, are subsections (4.a.) - (4.j.) completed?
- 4.k.3 Definitions
- If changes to territorial definitions are being proposed:
- Does the proposal comply with the territorial requirements found within the *Technical Notes*?
 - Are colour maps showing current and proposed territorial boundaries included?
- 4.l. Implementation of Rate Group Differentials - ***if applicable***
- 4.l.1 Overall Description for Implementing a new rate group methodology.
- Is the approach for implementing a new rate group methodology described?
 - If any capping procedures are used, are all details provided?
 - Is a list of the capped vehicles provided?
- 4.l.2 Off-Balance
- If the proposed changes due to the introduction of a new rate group methodology are being off-balanced, is the data used in the process of calculating the off-balance and all calculations provided?
 - If the proposed changes due to the introduction of a new rate group methodology are not off-balanced, are subsections (4.a.) - (4.j.) completed?

RATE FILING CHECKLIST FOR MAJOR FILINGS

- 4.m. Classification/Limit of Liability/Deductible or Other Rate Differential Indications - ***if applicable***
- 4.m.1 Indicated Differentials
- Is a detailed description of the approach provided?
 - Is the source of data identified?
 - Is a comparison of current, indicated and proposed differentials provided and compliance to the 'rate equity and minimization of rate dislocation' requirement in the *Technical Notes* demonstrated?
 - Is the premium distribution and exposure distribution by class etc., and by coverage provided?
 - Have the requirements for filings that contain a general linear model or non-linear model found in the *Technical Notes* been satisfied?
- 4.m.2 Off-Balance
- If the proposed changes are being off-balanced, is the data used in the process of calculating the off-balance and all calculations provided?
 - If the proposed changes are not off-balanced, are subsections (4.a.) - (4.j.) completed?
- 4.n. Rating Based on Group Membership - ***if applicable***
- 4.n.1 Indicated Discounts or rates
- Is a detailed description of the approach provided?
 - Is the source of data identified?
 - Is a comparison of current, indicated and proposed discount provided and compliance to the rate equity and minimization of rate dislocation requirement in the *Technical Notes* demonstrated?
 - Is the premium distribution and exposure distribution provided?
 - Have you conducted a compliance review to ensure that the proposed discounts meet the regulatory requirements?
- 4.n.2 Off-Balance
- If the proposed changes are being off-balanced, is the data used in the process of calculating the off-balance and all calculations provided?
 - If the proposed changes are not off-balanced, are subsections (4.a.) - (4.j.) completed?
- 4.o. Usage-Based Insurance Pricing (UBIP) Program – ***if applicable***
- Has adequate support been provided for the UBIP discount?
 - Is the UBIP discount compliant with FSCO's bulletin on UBIP?
 - Has a non-standard endorsement filing been submitted to FSCO for review and approval?

RATE FILING CHECKLIST FOR MAJOR FILINGS

Section 5. Discount/Surcharge Changes (including Expense-Based Discounts) - *If applicable*

- Is a detailed description of the approach provided?
- Does the discount award safe driving?
- Has the discount been appropriately qualified and reported in Appendix A?
- Is the source of data identified?
- Has a comparison of the indicated, current and proposed discounts or surcharges been included?
- Has the written premium and the exposure distribution of the discounts and surcharges been included?
- Has the current and proposed distribution that determines the premium shift or a calculation of the estimated impact been included?

Section 6. Rating Rule Changes - *If applicable*

- 6.a. Rating Rule Changes for Classification Variables
 - Is a description of the proposed changes provided?
 - Is a rationale for the proposed changes provided?
 - Are the rate level effects of the proposed changes provided?
 - Are calculations that validate the rate level effect of the proposed changes based on the expected distribution of business provided?
- 6.b. Rating Rule Changes for Discounts and Surcharges
 - Is a description of the proposed changes provided?
 - Is a rationale for the proposed changes provided?
 - Are the rate level effects of the proposed changes provided?

Section 7. Final Rates

- 7.a. Current and proposed algorithms included?
- 7.b. Current and proposed base rates included?
- 7.c. Current and proposed differentials included?
- 7.d. Current and proposed discounts and surcharges included?
- Have exhibits been provided that clearly describe how the current manual territorial premium are transformed into proposed manual territorial base premiums through the application of the proposed rate change in combination with any off-balance?
- 7e. Calculation of Final Rates
 - Have exhibits been provided that clearly describe how the current manual territorial premium are transformed into proposed manual territorial base premiums through the application of the proposed rate change in combination with any off-balance?
- 7.f. Calculation of Rate Level Change and Current/Proposed Average Rate
 - Have exhibits been provided that clearly describe how the rate level impact of the changes is determined for each Coverage?
 - Have exhibits been provided that clearly describe how the current and proposed Average Rate are determined for each Coverage?
- 7.g. Dislocation and Capping - *if applicable*
 - Is a complete description of the capping procedures included?
 - Has a summary of the dislocation been provided?

RATE FILING CHECKLIST FOR MAJOR FILINGS**Section 8. Dependent Categories - *if applicable***

- Have calculations that validate the rate level effect of the proposed changes for the dependent categories been included?
- Has a copy of the rating rule that stipulates the linkage to category of automobile insurance been included?
- Has Section 10, risk profiles and risk criteria for the dependent categories been completed?

Section 9. Manual Pages Containing Revised Rates and Risk Classification System

- Has a draft set of manual pages containing all proposed rating rule changes, discount and surcharge changes, and definition changes been included?

Section 10. Rating Examples (Appendix C)

- Have the risk profiles and risk criteria been completed and included, including Additional Optional Coverages?
- Has the additional information required in Profiles 5, 6 and 11 been taken into account?

Section 11. Fee Changes (If applicable)

- Has Appendix D been completed and included?
- Have the Certificate of Officer, draft manual pages and rationale for changes been included?

Section 12. Optional Accident Benefits and Tort Deductible Changes (if applicable)

- Has Appendix E been completed and included?
- Have the Certificate of Officer, draft manual pages and rationale for changes been included?