

*Section 238*  
*Underwriting Rules Filing Guidelines*

*Issued with*  
*Ontario Insurance Commission Bulletin No. A-7/97,*  
*Property & Casualty - Auto*

July 11, 1997

## *Section 238*

### *Underwriting Rules Filing Guidelines*

#### **A. Purpose of the Guidelines**

All insurers that are licensed to write automobile insurance in Ontario are required to make a filing in respect of their underwriting rules with the Ontario Insurance Commission (OIC).

Subsection 238(3) of the *Insurance Act* requires that underwriting rules be filed in a form approved by the Commissioner together with other information as may be specified. These guidelines describe the form to be used for filing underwriting rules.

If an insurer is licensed to write automobile insurance, but does not write any contracts on Ontario Automobile Policy (OAP) 1, then only Appendix A and Appendix B need to be submitted. Similarly, if an insurer does write automobile insurance, but only on a fleet basis, then only Appendix A and Appendix B need to be submitted. Fleet means a group of at least five vehicles that are under common ownership or management and that are used for business, commercial, or public purposes.

Where an insurer is writing non-fleet automobile insurance on OAP 1, it must file Appendix A, Appendix B and the underwriting rules in Appendix C and/or Appendix D, as applicable.

For the purpose of these guidelines, underwriting rules are those rules that a company uses to either decline all coverages to a risk, or to deny certain coverages to a risk, or to limit coverage in some way such as offering only higher deductible levels or lower liability limits. Underwriting rules deal with the coverage that will or will not be provided. Rating rules, on the other hand, are rules used in determining the rate that is applicable to the risk, once the decision has been made to accept the risk.

These guidelines are for underwriting rules only. Changes to rating rules must be submitted separately using the *Section 411/412 Filing Guidelines* or *Section 413 Filing Guidelines*, as appropriate. Where changes are being proposed to either rating rules or underwriting rules in respect of endorsements, please refer to the *Endorsements Filing Guidelines*.

In these guidelines, PPA refers to private passenger automobile insurance. *Other Categories* refers to the following categories of automobile insurance:

- |    |                     |   |                                 |
|----|---------------------|---|---------------------------------|
| a. | Personal Vehicles   | - | Motorcycles                     |
| b. | Personal Vehicles   | - | Motor Homes                     |
| c. | Personal Vehicles   | - | Trailers and Camper Units       |
| d. | Personal Vehicles   | - | Off-road Vehicles               |
| e. | Personal Vehicles   | - | Motorized Snow Vehicles         |
| f. | Personal Vehicles   | - | Historic Vehicles               |
| g. | Commercial Vehicles | - | Trailers                        |
| h. | Commercial Vehicles | - | Other than Trailers             |
| i. | Public Vehicles     | - | Taxis and Limousines            |
| j. | Public Vehicles     | - | Other than Taxis and Limousines |

## **B. Explanation of Appendices**

### **Appendix A: Summary of Information**

You must complete Appendix A each time you make an underwriting rule filing.

This appendix is a summary of information in respect of the categories written and identifies changes to underwriting rules. You are required to confirm **all** the categories of automobile insurance you write, or do not write, each time you submit an underwriting rule filing.

### **Appendix B: Certificate of an Official**

A certificate of an official (see Appendix B) must accompany each underwriting rule filing. Any official (e.g. Automobile Manager, Underwriting Manager) who has knowledge of the company's underwriting rules and has authority to bind the company may sign the form.

### **Appendix C: Underwriting rules for PPA**

You must file Appendix C if you write PPA insurance on a non-fleet basis. Even if there are no changes to underwriting rules for PPA (e.g. if you are changing your existing underwriting rules for one of the *Other Categories* only), you must file Appendix C so that the OIC always has a consolidated set of all your underwriting rules.

The following information is to be provided in Appendix C:

- A. Underwriting rules for declining to issue, terminating or refusing to renew a contract, appropriately numbered; and
- B. Underwriting rules for refusing to provide or continue a coverage (e.g. not providing physical damage coverage or declining certain deductible levels or liability limits), appropriately numbered; and
- C. Definitions (e.g. definition of at-fault accident) and explanations to interpret the rules.

#### **Appendix D: Underwriting rules for *Other Categories***

You must file Appendix D if you write any of the *Other Categories* of insurance on a non-fleet basis. Even if there are no changes to underwriting rules for *Other Categories* (e.g. if you are changing your existing underwriting rules for only PPA), you must file Appendix D so that the OIC always has a consolidated set of all of your underwriting rules.

Underwriting rules for *Other Categories* written on a non-fleet basis are to be listed in Appendix D. Where you use alternative rules for the different categories within *Other Categories*, file the rules in separate exhibits (e.g. for motorcycles it could be labelled as Exhibit D1, for motorhomes it could be labelled as Exhibit D2, etc.). If you have divided any of the *Other Categories* into sub-categories please identify the sub-categories (by responding to question 2 in Appendix A) and attach separate exhibits if you use alternative rules for the sub-categories.

The following information is to be provided:

- A. Underwriting rules for declining to issue, terminating or refusing to renew a contract, appropriately numbered; and
- B. Underwriting rules for refusing to provide or continue a coverage (e.g. not providing physical damage coverage or declining certain deductible levels or liability limits), appropriately numbered; and
- C. Definitions (e.g. definition of at-fault accident) and explanations to interpret the rules.

#### **C. Procedures**

1. You must submit an underwriting rule filing where:

there is a change of status (i.e., in writing or not writing) a category of

automobile

you are proposing a change to your underwriting rules.

2. Each filing must contain a consolidated list of underwriting rules. Even if you are only proposing changes to underwriting rules for one category of automobile insurance, you must include underwriting rules for all categories of automobile insurance each time you submit a filing.

3. Underwriting rule filings should be sent to:

Ontario Insurance Commission  
Rates, Classifications and Actuarial Services Branch  
5160 Yonge Street, P.O. Box 85  
North York ON M2N 6L9

4. Once we have reviewed the rules and there are no outstanding issues, you will need to provide revised rate manual pages if the rules are included there.

**Company Name:**

**Group Name:**

**Summary of Information**

1. For **each** of the following categories of automobile insurance, indicate the status by checking the box under one of column a, b, or c. The statuses are:
  - a. the Insurer **does not write** contracts of automobile insurance in the category on OAP 1.
  - b. the Insurer writes contracts of automobile insurance on OAP 1 in the category, **but only on a fleet basis**.
  - c. the Insurer writes contracts of automobile insurance on OAP 1 on a **non-fleet basis** in the category and the Insurer's underwriting rules are set out in the attached Appendix C and/or D, as applicable.

<b>Category</b>	<b>a.</b>	<b>b.</b>	<b>c.</b>
Personal Vehicles - Private Passenger Automobiles			
Personal Vehicles - Motorcycles			
Personal Vehicles - Motor Homes			
Personal Vehicles - Trailers and Camper Units			
Personal Vehicles - Off-road Vehicles			
Personal Vehicles - Motorized Snow Vehicles			
Personal Vehicles - Historic Vehicles			
Commercial Vehicles -Trailers			
Commercial Vehicles - Other than Trailers			
Public Vehicles - Taxis and Limousines			
Public Vehicles - Other than Taxis and Limousines			

2. Does the Insurer divide *Other Categories* into sub-categories for the purposes of underwriting (e.g. mopeds are a sub-category of motorcycles)? If yes, list each sub-category, and the category in which the sub-category falls. Underwriting rules for the sub-categories that are written on a non-fleet basis must be listed in Appendix D.

---



---



---

3. For filings made after January 1, 1998, what was the date of the last authorized underwriting rule filing?

---



---

4. For filings made after January 1, 1998, has there been any change in status in writing a category or sub-category since the last underwriting rule filing?

---

---

---

---

5. For filings made after January 1, 1998, briefly describe any additions, deletions or changes from the last underwriting rule filing by referencing the rule number in the current and/or last underwriting rule filing.

---

---

---

---

---

---

---

---

---

---

6. Individual to whom questions concerning this filing may be addressed.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

---

---

Phone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

**CERTIFICATE OF AN OFFICIAL**

I, \_\_\_\_\_, \_\_\_\_\_  
*(Name of Official)* *(Position held)*

of (the "Insurer") \_\_\_\_\_  
*(Official Name of Company)*

CERTIFY THAT:

1. I have knowledge of the matters that are the subject of this certificate.
2. The changes requested are in compliance with the *Section 238 Underwriting Rules Filing Guidelines*.
3. The information and each document contained in the filing accompanying this certificate are complete and accurate.

\_\_\_\_\_  
*Signature of Official*

\_\_\_\_\_  
*Date, Location*



Company Name: \_\_\_\_\_

Group Name: \_\_\_\_\_  
Personal Vehicles - Private Passenger Automobiles

Category of Insurance: \_\_\_\_\_

### **Underwriting rules exhibit**

**A. The Insurer's rules for declining to issue, terminating or renewing a contract are:** **refusing to**

- 1.
- 2.
- 3.

(Number and list all such rules.)

**B. The Insurer's rules for refusing to provide or continue a coverage are:**

- 1.
- 2.
- 3.

(Number and list all such rules.)

**C. Definitions and explanations to interpret the rules are outlined below:**

(e.g. provide a definition of at-fault accident and how the definition is applied)

Company Name: \_\_\_\_\_

Group Name: \_\_\_\_\_

Category of Insurance: \_\_\_\_\_

### Underwriting rules exhibit

**A. The Insurer's rules for declining to issue, terminating or refusing to renew a contract are:**

1.

2.

3.

(Number and list all such rules.)

**B. The Insurer's rules for refusing to provide or continue a coverage are:**

1.

2.

3.

(Number and list all such rules.)

**C. Definitions and explanations to interpret the rules are outlined below:**

(e.g. provide a definition of at-fault accident and how the definition is applied)