

Approach



Effective Date: January 1, 2023

Identifier: No. AU0138APP

Automobile insurance non-standard forms, endorsements and certificates of insurance approval filing process

Purpose, scope and legislative requirements

This Guidance communicates FSRA's principles and approval processes for an insurer to obtain approval of non-standard:

- certificates of Insurance required to be approved pursuant to Section 232(5) of *Insurance Act (Act)*
- documents required to be approved pursuant to Section 227 of the *Act*, and the approval of rates or underwriting rules, requiring approval, relating to the documents

The *Act* gives FSRA discretion over the approval process. Section 227 of the *Act* applies to automobile insurance in Ontario. It prohibits insurers from using any of the following documents in automobile insurance unless they are in a form approved by FSRA^[1] or prescribed by regulation.

1. an application for insurance
2. a policy, endorsement or renewal

3. a claims form
4. a continuation certificate

Some policy forms or endorsements may involve Certificates of Insurance, pricing, rates or underwriting rules that the also requires FSRA's approval.

Rates and underwriting rules for standard endorsement forms (OPCFs) may also be submitted under this Guidance.

In this Guidance, “non-standard” refers to a document that approved for use by one insurer (or multiple insurers within an insurer group), instead of one that is approved or prescribed for the general use by all insurers.^[2]

Principles

This Guidance is in keeping with [FSRA rate regulation principles](#) forming the basis for its approach to automobile insurance rate regulation. The Guidance is part of a broader plan aimed at promoting market health through more efficient regulation.

Related and superseded FSRA Guidance

Related Guidance to consider when using this guidance:

- [AU0130APP IAIP-S](#) Innovative Auto Insurance Products Subscriptions-IAIP-S for insurers seeking approval for subscription-based auto programs

This Guidance replaces the following Filing Guidelines inherited from FSCO:

- [AU0105ORG Form Filing Guideline](#) that described the form approval process
- [AU0104ORG Endorsement Filing Guideline](#) that describes the approval process for rates and underwriting rules of standard endorsements (OPCFs) and non-standard endorsements

Once this Guidance is effective, these inherited FSCO Guidelines have no further effect or application.

Processes and service standards approach

To file for approval, submit the following documents via ARCTICS:

1. all completed final document(s) that are the subject of the approval
2. a completed Filing Summary (Appendix) that outlines information explaining:
 - a. the type of document(s) e.g., form, endorsement, application for insurance, certificate of insurance, claim form
 - b. if it is newly created document, or one that is a revision of an approved form, or a non-standard document in use by another insurer
 - c. its business purpose and intent
 - d. the kind(s) or line(s) of business, or the Automobile Insurance Policies to which it will be applicable
 - e. if the document amends or changes coverage, a description of the change e.g. what coverage has added, increased, or restricted, limited
 - f. if the proposal includes underwriting rules or rates that also require FSRA's approval, you can file them within the same filing by completing the Filing Summary (Appendix) with the details that includes the price impact, eligible risks, and other metrics

Insurer can also refer to ARCTICS for further details about the specific information required.

Service standard:

Within 30 business days of submission, FSRA will notify the insurer in writing of its decision to either reject or approve the filing.

A failure to meet this service standard does not constitute deemed approval. In exceptional cases involving innovative or new products, FSRA may work with the insurer to establish a longer timeline and workplan that both FSRA and the insurer can commit to.

FSRA retains full discretion over the approval process. It may reject a filing outright, require supplementary or new information, or require the insurer to submit as part of a Standard or Major filing. FSRA may approve a document or rate filing subject to conditions, limitations, undertakings, or attestations.

If you are having difficulty submitting to ARCTICS, please contact your rate analyst.

Additional considerations

1. FSRA may suspend service standards for an insurer that demonstrates inadequate internal governance (e.g., a history of incomplete, inaccurate filings) until the insurer can demonstrate it has taken corrective action
2. subsection 227(7) of the *Insurance Act* provides FSRA with the authority to revoke an approval under this section
3. FSRA may publish or require the insurer to publish an approved non-standard document, or its decision. FSRA may also approve the document as a standard form or endorsement for general use by all insurers, pursuant to subsection 227(5) of the *Insurance Act*.

Effective date and future review

This Guidance is effective on January 1, 2023

FSRA will collect metrics associated with this Guidance, once it is in effect. This data and input from stakeholders will inform FSRA's review of the effectiveness of the Guidance and its internal

processes. FSRA will review the Guidance within four (4) years of the effective date (i.e. by April 1, 2026).

About this Guidance

This Guidance is an Approach. Approach Guidance describes FSRA's internal principles, processes and practices for supervisory action and application of Chief Executive Officer discretion. Approach Guidance may refer to compliance obligations but does not in and of itself create a compliance obligation. Visit [FSRA's Guidance Framework](#) to learn more.

Appendices and reference

Appendices

- [Appendix 1: Rate Regulation Principles](#)

References

- [Filing system: ARCTICS](#)
- [FSRA's Guidance Framework](#)

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^[1] Pursuant to the *Act*, all insurers that are licensed to write auto insurance in Ontario are required to obtain certain approvals, described in this guidance and in the *Insurance Act*, from the Chief Executive Officer. However, for the purposes of this Approach Guidance, all statutory references to the Chief Executive Officer will instead be to FSRA.

^[2] See FSRA's website for standard documents approved or prescribed in regulation for general use by all insurers, including the standard Certificate of Insurance insurers are permitted to issue in the place of standard policies pursuant to Section 232(5) of the *Act*.