

INFORMATION BULLETIN NBIB 2009-03

To: All Insurance Companies Transacting Automobile Insurance in New Brunswick including Facility Association

Subject: Revised Filing Guidelines for Classes of Vehicles Other Than Private Passenger

Date: March 2009

The New Brunswick Insurance Board (NBIB) is releasing revised filing guidelines for submitting changes to automobile insurance rates and risk classification systems for classes of vehicles other than private passenger. Based on a comprehensive review of prior filing requirements, these updated guidelines seek to simplify filing requirements for these classes of vehicles and to clarify the information required as part of the filing process.

Changes Highlighted

Overall Requirements - Section 267.2(1) of the *Insurance Act (the Act)* requires annual rate filings for all classes of vehicles. This requirement remains, however, NBIB is revising the information required to be filed each year based on factors such as the class of vehicle and the volume of premium written by the insurer. The information that is required will be determined by the type of filing that must be submitted. NBIB has developed four types of rate filings, including a simplified filing, with the details shown below.

Information Formatting – Most information provided to NBIB will now be filed using Microsoft Excel format. Amendments will be filed by updating previously submitted documentation with changes appropriately highlighted.

Filing Deadlines – For classes of vehicles other than private passenger, NBIB is moving away from fixed filing deadlines. The details of filing requirements are detailed below by class of vehicle.

Transitional – ~~For 2009 only, filings for commercial vehicle rates must be submitted by June 1~~

AMENDED APRIL 6, 2009 “Please be advised that for this year only, commercial vehicles may file an RFR - 7, advising that they wish to continue using current rates. The deadline for the RFR - 7 filing is April 30, 2009.

The calendar will be then be re-set and companies will be expected to file the required annual filing (RFR-1, RFR - 2 or RFR - 8) within the next twelve (12) month period.

The above does not apply to Facility Association.”

Types of Rate Filings

Level 1 – This is a simplified filing where there is no change proposed to rates currently in effect and where the company is not required to produce another type of filing (as shown in the vehicle class info below). At a minimum, a Level 1 filing will be required each year to continue using current rates.

Level 2 – This filing will be required for a company that wants to adopt the most recent rates that have been developed by IAO and approved by the NBIB.

Level 3 – This is a minor filing that must be produced where there is a proposed change in rates but where full actuarial justification is not required due to the nature of the class of vehicle or where the level of written premium is below a certain threshold. In some cases, a Level 3 filing must be produced even where there is no proposed change in current rates.

Level 4 – This is a major filing that must be produced where there is a proposed change in rates and where actuarial justification is required due to the nature of the class of vehicle or where the level of written premium is above a certain threshold.

NBIB produces Rate Filing Requirement documents that provide details of the information required and the format that must be used for data submitted. For each type of filing please refer to:

<i>Level 1</i>	RFR – 7
<i>Level 2</i>	RFR – 2
<i>Level 3</i>	RFR – 8
<i>Level 4</i>	RFR – 1

Classes of Vehicles

Commercial Vehicles

Companies must produce a Level 2, Level 3 or Level 4 filing no later than 12 months from previous filing.

Level 2 – If currently using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If no change to current rates is proposed **or** if changes are proposed and current written premium is less than \$500,000.

Level 4 – If changes to current rates are proposed and current written premium equals or exceeds \$500,000.

Interurban Vehicles

Companies must produce a Level 1, Level 2, Level 3 or Level 4 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 24 months has elapsed since last Level 2, Level 3 or Level 4 filing was produced.

Level 2 – If using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If no change to current rates is proposed **or** if changes are proposed and current written premium is less than \$500,000.

Level 4 – If changes to current rates are proposed and current written premium equals or exceeds \$500,000.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 4 for purposes of determining the type of filing required in 2009.

Taxis

Companies must produce a Level 1, Level 2, Level 3 or Level 4 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 24 months has elapsed since last Level 2, Level 3 or Level 4 filing was produced.

Level 2 – If using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If no change to current rates is proposed **or** if changes are proposed and current written premium is less than \$500,000.

Level 4 – If changes to current rates are proposed and current written premium equals or exceeds \$500,000.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 4 for purposes of determining the type of filing required in 2009.

Other Public Use Vehicles (Ambulances, Public Buses, School Buses)

Companies must produce a Level 1, Level 2 or Level 3 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 24 months has elapsed since last Level 2 filing was produced (if applicable).

Level 2 – If using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If changes to current rates are proposed.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 3 for purposes of determining the type of filing required in 2009.

Motorcycles

Companies must produce a Level 1, Level 2, Level 3 or Level 4 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 24 months has elapsed since last Level 2, Level 3 or Level 4 filing was produced.

Level 2 – If currently using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If no change to current rates is proposed **or** if changes are proposed and current written premium is less than \$500,000.

Level 4 – If changes to current rates are proposed and current written premium equals or exceeds \$500,000.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 4 for purposes of determining the type of filing required in 2009.

ATV

Companies must produce a Level 1, Level 2, Level 3 or Level 4 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 36 months has elapsed since last Level 2, Level 3 or Level 4 filing was produced.

Level 2 – If currently using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If no change to current rates is proposed **or** if changes are proposed and current written premium is less than \$500,000.

Level 4 – If changes to current rates are proposed and current written premium equals or exceeds \$500,000.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 4 for purposes of determining the type of filing required in 2009.

Snowmobiles / Snow vehicles

Companies must produce a Level 1, Level 2, Level 3 or Level 4 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 36 months has elapsed since last Level 2, Level 3 or Level 4 filing was produced.

Level 2 – If currently using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If no change to current rates is proposed **or** if changes are proposed and current written premium is less than \$250,000.

Level 4 – If changes to current rates are proposed and current written premium equals or exceeds \$250,000.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 4 for purposes of determining the type of filing required in 2009.

Other Personal Use Vehicles (Motor homes, Antiques, Trailers)

Companies must produce a Level 1, Level 2 or Level 3 filing no later than 12 months from previous filing.

Level 1 – If no change to current rates is proposed and less than 24 months has elapsed since last Level 2 filing was produced (if applicable).

Level 2 – If using IAO developed rates and want to continue using IAO developed rates. Companies are expected to adopt to most recently approved IAO developed rates when filing Level 2.

Level 3 – If changes to current rates are proposed.

Transitional: Rate filings made in 2008 are deemed to be Level 2 or Level 3 for purposes of determining the type of filing required in 2009.

Other Types of Filings

Rate Group Tables – Companies proposing to update rate group tables must seek approval from NBIB before implementation. This is not considered a rate filing. Please refer to document RFR – 3 for filing requirements.

Rating Rules – Companies proposing changes to rating rules must provide NBIB with details and expected impact of the proposed changes. This is not considered a rate filing. Please refer to document RFR – 4 for filing requirements.

Endorsements – Companies proposing changes to endorsements must provide NBIB with details of the proposed changes. This is not considered a rate filing. Please refer to RFR – 5 for filing requirements. **Important:** Insurers are reminded that all changes to policy wording must have prior approval of the Superintendent of Insurance.

Underwriting Rules - Companies proposing changes to underwriting rules must provide NBIB with details of the proposed changes. This is not considered a rate filing. Please refer to RFR – 6 for filing requirements.