

Automobile Insurance Rate Pause FAQ

- 1 Q: Does the rate pause apply to private passenger vehicles (PPV) only or will this also apply to individually rated commercial or miscellaneous vehicles?**

A: The rate pause applies only to PPV, there is no impact to commercial or miscellaneous vehicle filings.

- 2 Q: Does the rate pause apply to both new and renewal business?**

A: Yes, the Ministerial Order applies to any future rate approval by the AIRB, limiting the AIRB from approving rates which result in any individual policyholder getting greater than 0%. In the spirit of the Ministerial Order the limitation of rate approvals greater than 0.00% applies to both new and renewal business.

- 3 Q: Can the 0.00% for any one policyholder be calculated after capping?**

A: No, the Ministerial Order applies to pre-capped rates.

- 4 Q: Can an insurer remove previously approved rate capping thresholds or is this restricted under the rate pause.**

A: No, removing a previously approved rate cap goes against the spirit of the Ministerial Order. The AIRB will not approve filings to remove a previously approved rate cap as it would mean policyholders see a larger increase than they would have otherwise had

Insurers can reduce their rate capping upper threshold to 0.00% so no policyholder sees an increase, however this is not required under the Ministerial Order.

- 5 Q: Can an insurer file for a change to rating program resulting in a rate decrease or no change for existing policyholders?**

A: Yes, a filing for a rate decrease or revenue neutral rate impact may be approved by the AIRB under the Ministerial Order.

- 6 Q: Can we charge a higher premium at renewal if policyholder had an at fault accident or traffic conviction?**

A: Yes, insurers may charge policyholders for changes in risk such as a new at-fault claim, a new traffic violation added to their driving record, changed vehicle, and/or changed home address based on their current approved rating program.

- 7 Q: Can we adopt the latest version of CLEAR under the Ministerial Order?**

A: Yes, provided your overall rate change complies with the Ministerial Order – i.e., you off balance the impact to a 0.00% rate change for individual policyholders.

- 8 Q: Can we make changes to endorsement limits and/or premiums?**

A: Insurers can make changes to endorsements provided the changes comply with the Ministerial Order and there is no rate impact for individual policyholders.

9 Q: When can we submit a full filing for rate increase to be reviewed once the Ministerial Order is lifted?

A: The Ministerial Order expires December 31, 2023. The earliest the AIRB will decide on a full filing is the January 26, 2024, Board meeting. Insurers should contact the AIRB prior to submitting a full filing, for review following the expiry of the Ministerial Order. Subject to anticipated filing volume, the AIRB will accept full filings for review in September 2023, to target the January Board meeting.

10 Q: Can I file for 5% through file and use prior to the expiry of the Ministerial Order, with an effective date after January 1, 2024?

A: The AIRB cannot approve any rate greater than 0.00% on an individual policyholder basis until after January 1, 2024. The file and use filing guidelines were amended to reflect the Ministerial Order and do not allow for a rate increase.

Any file and use filing received prior to January 1, 2024, will not be deemed complete prior to the expiry of the Ministerial Order, pending future decisions on the file and use guidelines.