

Filing Guidelines for Change in Rates & Rating Programs

A. GENERAL INFORMATION

Section 602 of the *Insurance Act* and Sections 2, 4 and 5 of the Automobile Insurance Premiums Regulation require insurers to make application and obtain approval for the establishment of a new rating program or for revisions to an existing rating program. The AIRB has guidelines for both prior approval and file and use filings. The applicable filing type is determined based on these guidelines. **These Filing Guidelines are applicable for filings from October 1, 2025, to the repeal or replacement of Ministerial Order 33/2025. Separate guidance will be issued for the implementation of Care First in insurer rating programs.**

Filing Requirements

These guidelines communicate the requirements for prior approval (full) and file & use filings and provide a methodological approach insurers to use in preparation of their filings. **The AIRB staff have some discretion to waive or require certain filing guideline requirements or filing types**, while ensuring compliance with the legislation, regulation or Ministerial Orders issued. Insurers are encouraged to contact the AIRB prior to the development of a filing.

These guidelines apply to all vehicle types except where noted - private passenger vehicles (PPV) and other than private passenger vehicles (Other than PPV). The guidelines referring to Other than PPV apply to miscellaneous classes.¹ Where applicable guidelines will specify requirements for commercial and interurban vehicles.

Approval Process

Filings and Rating Profiles must be submitted through the Collection and Reporting System ([CARS](#)). Compile the filing into a PDF document except as noted to be in Word or Excel and then attach the documents in CARS.

Insurers will receive an email confirming the filing has been successfully submitted from CARS. The AIRB will review the filing for completeness based on these filing guidelines and inform the insurer of any additional information required to complete the review of the filing.

The AIRB's target is to provide a decision within sixty (60) days for prior approval filings from the date the filing material is deemed complete (all information requested has been submitted and all responses to questions have been received). For file & use filings, the AIRB will notify the insurer of its decision within 30 business days after submission of the filing (all information requested has been submitted through CARS). If the AIRB does not provide notice of a decision within 30 business days, it will consider the filing deemed approved and will provide notice of approval. The target days are exclusive of office holiday closures.

Principles and Expectations for Rating Programs

The AIRB has set principles and expectations for rating programs. For more details refer to [Technical Guidance - Changes in Rates and Rating Programs](#).

1. Components of the rating programs are evidence based and reasonably predictive of risk.
2. Components of the rating programs distinguish fairly between risks.
3. Rating programs do not impair the solvency of the insurer or provide excessive returns.
4. Changes in rates are reasonable.

¹ Other than PPV includes all-terrain vehicles, ambulances, antique vehicles, collector vehicles, farm vehicles, hotel & country club vehicles, mopeds, motorcycles, motorhomes, off-road vehicles, private buses, public buses, school buses, snow vehicles, taxis & limousines, trailers & campers, and utility trailers.

5. There is clear communication to consumers about premium changes.

Determining the Applicable Filing Type

Insurers obtaining rate changes through a file and use filing are **required to submit a full filing with rate indications every three years** to confirm their level of rate adequacy/deficiency, unless waived by AIRB staff, insurers should contact the AIRB before preparing a filing.

File and Use

Private Passenger Vehicles (PPV) Only

In accordance with Ministerial Order 33/2025:

1. The AIRB may **not** approve any change to an insurer's rating program for PPV that results in a rate increase in any one calendar year of more than +7.5% **for any individual policyholder** who meets the definition of a "good driver." This is inclusive of the +2.5% for catastrophes.
2. The AIRB may **not** approve any change to a rating program with an increase to All Coverage Average Rate Level Change (Q4 in CARS) greater than +12.5% in a 12 month period.
 - Insurers will provide adequate support of rate level change if requesting +12.5% rate change.
3. All rate increases approved by the AIRB must **not** come into effect for renewal business until at least 12 months have elapsed since the insurer's last rate increase came into effect under Ministerial Order 24/2024.
4. All filings under the Ministerial Order 33/2025 will be submitted through a file and use.

All insurers are required to ensure compliance with the Ministerial Order.

All Classes of Vehicle Other than PPV

The AIRB permits a **file & use filing** for all classes of vehicle where a full filing is not required, and the insurer meets the **rate approval and consumer impact thresholds**. Unless otherwise noted miscellaneous vehicle filings are **always** file and use.

1. An insurer can use a file and use when proposing an increase in overall rate level **+15.00%** or less (for basic and overall coverage) in one policy year.
2. For rate increases under file and use filings the renewal business effective date must be at least 12 months since the last increased approved through a full filing.

Consumer Impact Thresholds

1. The AIRB monitors dislocation for all vehicle classes and expects insurers to consider the impact of any change to their rating program to their customers.
2. Insurers are required to comply with the Ministerial Order for any PPV policyholder who meets the definition of Good Driver.

Full Filing Waiver Threshold

The requirement for a full filing in the past three years will be waived where an insurer is changing a rating program with less than 15,000 exposures per class of vehicle, the insurer has no credible data, is writing only vehicle protection products or under other extenuating circumstances provided the filing otherwise meets the criteria for file and use.

Note: Under the Good Driver Rate Cap, the AIRB will **not accept** any full filings on PPV.

The AIRB requires a **prior approval (Full) filing** for any class of vehicle, and where:

- a) The insurer is seeking approval of a new rate indication.
- b) The insurer is seeking a rate change greater than permitted through file and use.
- c) The insurer proposes to establish a rating program to enter the market.
- d) It has been three years since the last full filing.
- e) Actuarial analysis is needed to support the insurer's proposed change.

Other Filing Notes:

Acquisitions or Mergers

Refer to the [Technical Guidance - Changes in Rates and Rating Programs](#) document for information on acquisitions or mergers.

Rate Change Approvals

Refer to the [Technical Guidance - Changes in Rates and Rating Programs](#) document for information on rate change approvals.

Insurer Request to Withdraw Filing

Refer to the [Technical Guidance - Changes in Rates and Rating Programs](#) document for information on Withdrawal of Filing.

Filing Format

Subject to the guidelines set forth in Section C, the filing should contain the informational sections in the order as outlined below:

Section	Contents
1.	Cover Letter
2.	Table of Contents
3.	Summary of Information (CARS)
4.	Certifications of the Officer and Actuary (CARS)
5.	Actuarial Support (Full Filings Only, Appendix D)
6.	Rating Rule Changes
7.	Final Rates/Rate Level Change
8.	Dependent Categories (if applicable)
9.	Communication to Policyholders
10.	Underwriting Manual
11.	Rating Profiles (CARS)

B. DEFINITIONS

Refer to the [Technical Guidance - Changes in Rates and Rating Programs](#) document for definitions related to all filing guidelines.

C. GUIDELINES FOR EACH SECTION OF THE FILING

SECTION 1: COVER LETTER

Cover letter must include all the proposed changes, effective dates of changes, rationale for changes and full contact details of the individual authorized to act as contact on behalf of the insurer with every filing. Ensure the named contact person can respond to questions posed by the AIRB or its consulting actuary and accept correspondence from either on behalf of the insurer relating to this filing.

SECTION 2: TABLE OF CONTENTS

This section contains a listing of the filing contents for Sections 3 through 10.

SECTION 3: SUMMARY OF INFORMATION (CARS)

The summary of information section (in CARS) contains key information on the nature of the proposed rate level or rating program changes. All filings should include a completed summary of information in CARS. All data used in the Actuarial Support section (Section 5 & Appendix D) for a **full filing** should reconcile to the information entered in in CARS.

Dislocation Tables (Q6 in CARS)

Dislocation is an important tool to understand the impact of proposed changes to existing policyholders. For consistency among all insurer rate filings, the **uncapped** dislocation is to be calculated by comparing the proposed uncapped premiums to the current on-leveled uncapped

premium. The **capped** dislocation is to be calculated by comparing the proposed capped premiums to the current on-leveled capped premium. The **12-month cumulative** dislocation is to compare the proposed premiums to the current charged premiums of the in-force policies as of 12-months before the proposed effective date. Insurers will count any risk capped by the Grid as uncapped, therefore Grid capped policies should be reflected in both the uncapped and capped exposures columns.

SECTION 4: CERTIFICATES OF THE OFFICER AND OF THE ACTUARY (CARS)

4a) Certificate of the Officer - Appendix B1 in CARS, required for each filing.

4b) Certificate of the Actuary - Appendix B2 and **Rate Filing Completion Confirmation Checklist**, Appendix B3 in CARS, required for Actuarial Full Filing only

SECTION 5: ACTUARIAL SUPPORT (For Actuarial Full Filings Only)

This section is applicable to **actuarial full filings** only. If completing a file & use filing, proceed to [Section 6](#).

Provide detailed actuarial support for any rate level change. A description of the data and narrative to be included is in [Appendix D](#).

SECTION 6: RATING RULE CHANGES

Quantify the rate level impact resulting from the rating rule changes and reflect the impact in the proposed rate level changes as follows:

6a) Rating Rule Changes for Classification Variables

- any change to a rating rule for a particular classification,
- a current and proposed distribution of the classification affected by the rating rule change to determine the average premium change (shift),
- impact on the overall rate level, and
- all assumptions and detailed calculations (**in Excel**) to support the rate level change.

6b) Rating Rule Changes for Discounts and Surcharges

- any change to a rating rule for a discount or surcharge.
- the rating rule applicable to a newly proposed discount or surcharge.
- a current and a proposed distribution of the business affected by the rating rule change to determine the average premium change (shift) and impact on the overall rate level.
- all assumptions and the rationale to support the use of the rating rule.

SECTION 7: FINAL RATES/RATE LEVEL CHANGE

Provide exhibits illustrating current and proposed rating algorithms, base rates, discounts/surcharges, and differentials, as either current or proposed **highlighting any changes**. Provide explanatory material in support of the proposed changes.

7a) Algorithms

Include algorithms for all coverages, including discounts and surcharges.

7b) Base Rates

7c) Differentials

7d) Discounts and Surcharges

7e) Rate Capping

Rate capping is a tool to insurers may utilize to manage the impact of a rate change on policyholders, refer to Rate Capping in [Technical Guidance - Changes in Rates and Rating Programs](#) for further information.

7f) Endorsements

To revise current endorsements, provide own loss experience to support the changes. If own experience is not available, provide information the insurer used in its decision-making to set the

rates. Contact the [Superintendent of Insurance](#) prior to submitting a filing to the AIRB when proposing to introduce or revise a conditionally approved endorsement (CAE).

7g) Rate Group Tables

Insurers will:

- take the rate group drift into account, even if an insurer is simply updating the annual vehicle rate group tables (for full filings only),
- not off-balance premium impact due to rate group updates to coverages where the rate group is not used as a rating variable,
- indicate the version of rate group table being used, and
- indicate any applicable capping procedures.

Insurers may use alternate methods (other than CLEAR) or supplement CLEAR to establish rate groups or rate differentials. Refer to CLEAR Rate Group Tables in [Technical Guidance - Changes in Rates and Rating Programs](#) for further information.

7h) Calculation of Rate Level Change and Average Rate

Describe and demonstrate how the rate level impact of changes to base rates, differentials and discounts or surcharges, in combination with any off-balance which may be applied, are used to calculate the overall rate level change on a per coverage basis. Reconcile this calculation with the Proposed Overall Rate Level Change from CARS, Question 4a.

Provide background and detailed calculations (**in Excel**) to support the current and proposed average rate calculation under CARS, Question 4b.

7i) Calculation of Final Rates

Describe and demonstrate how current base rates by coverage are transformed into proposed base rates in combination with any off-balance.

SECTION 8: DEPENDENT CATEGORIES

Provide the following for dependent categories of automobile insurance:

- i. The rate level effects of the proposed changes for each coverage,
- ii. The calculations validate the rate level effect of the proposed changes, and
- iii. A copy of the rating rule stipulating the linkage to the category of automobile insurance.

SECTION 9: COMMUNICATION TO POLICYHOLDERS

The AIRB expects insurers to clearly communicate changes in their premium to policyholders at renewal. Insurers must provide:

1. a description of how the insurer will communicate the proposed changes, specifically addressing any impact to policyholder premiums, and
2. copies of any formal policyholder communications, such as renewal letter, broker/agent training materials etc. with the filing materials.

The quality of materials is considered in the review of each rate filing, and where inadequate the insurer will be required to amend. Where the AIRB has issued guidance on the minimum standard for client communication, i.e. to communicate changes under a Ministerial Order, the insurer must comply with the Bulletin.

SECTION 10: UNDERWRITING MANUAL

It is the insurer's responsibility to ensure all underwriting guidelines are compliance with all relevant legislation. Any changes, additions, or deletions to the rating rules, denote definitions or text in the proposed rate manual by utilizing **tracked changes in a Word document**.

Final manual (**without** password protection) is required to be filed in CARS within 30 days of filing approval. The electronic copy of the complete rate manual submitted to the AIRB must be identical to any hard copies or versions distributed to anyone, including brokers, agents, or other vendors.

SECTION 11: RATING PROFILES (CARS)

Complete the rating profiles according to the risk description specified. Provide both current and proposed rating criteria for each of the rating profiles as required on an un-capped basis. The Rating Profiles are required to be filed in CARS within 30 days of filing approval. For full requirements for rating profiles, refer to Rating Profiles in [Technical Guidance - Changes in Rates and Rating Programs](#).