

File and Use Filing Guidelines for the Implementation of Care First

This Guideline is being published to share the known requirements with Insurers. The final filing guideline will be published following the completion of the final Care-First Actuarial Costing report.

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. **These Filing Guidelines are applicable only for filings to implement Care First in insurer rating programs.**

Filing Requirements

These guidelines communicate the requirements for file & use filings and apply to all vehicle types - private passenger vehicles (PPV) and other than private passenger vehicles (Other than PPV). The guidelines referring to Other than PPV apply to commercial and interurban vehicles and miscellaneous classes.¹

Approval Process

Filings and Rating Profiles must be submitted through the Collection and Reporting System ([CARS](#)). Insurers may submit filings between May 1 to May 31, 2026. 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 notify the insurer of its decision within 30 business days after submission of the filing (all information requested has been submitted through CARS). Insurers should respond to Information Requests (IR) promptly. The target days are exclusive of office holiday closures.

- Insurers are asked to respect the priority will be given to Care-First filings. No additional filings will be reviewed until all Care-First filings have been reviewed and decisions provided.
- No other proposed changes are submitted in conjunction with Care-First filings.

Filing Review:

Users should read the complete filing guidelines for details on filing requirements. This is a high-level summary on what insurers are required to include the following in their Care-First filings:

1. The AIRB benchmark required premium will be used to price bodily injury and accident benefits coverages. More details on how the benchmark required premium can be adjusted to reflect an insurer's mix of business or portfolio when it materially differs from the overall industry will be added to the guideline by early March 2026.
2. A breakdown of the accident benefits coverage is required. Allocation of premium based on percentage of premium for the AIRB benchmark required premium is acceptable, if the insurer has not developed individual premiums by sub coverage.
3. Only segmentation changes pertaining to the inclusion of at-fault claims or approved proxies under accident benefits will be allowed in the Care First implementation filing. Any other

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.

segmentation for accident benefits must be submitted separately and approved prior to submission of the Care-First filing, and be effective January 1, 2027

4. Policyholder communications are required for implementation of Care-First but not required to be submitted at time of filing, can be provided later, refer to Section 9 for further details.
5. A copy of Top-up Endorsement showing coverage thresholds, and premium details is required to be submitted. If the insurer does not plan to offer Top Ups, this should be stated in the cover letter.
6. Details of changes to any other endorsements because of implementation of Care-First must be provided, and premium impact should be noted for each endorsement.
7. A complete underwriting manual detailing any changes being made because of Care-First implementation will be provided with this 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.	<u>Cover Letter</u>
2.	<u>Table of Contents</u>
3.	<u>Summary of Information (CARS)</u>
4.	<u>Certifications of the Officer (CARS)</u>
5.	<u>Actuarial Support (Not Required)</u>
6.	<u>Rating Rule Changes</u>
7.	<u>Final Rates/Rate Level Change</u>
8.	<u>Dependent Categories</u> (if applicable)
9.	<u>Communication to Policyholders</u>
10.	<u>Underwriting Manual</u>
11.	<u>Rating Profiles (CARS)</u>

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 including changes to endorsements and underwriting, 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 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.

Dislocation Tables (Q6 in CARS)

Dislocation is an important tool to understand the impact of proposed changes to existing policyholders. **Dislocation reported in the Care First filing will be used to communicate consumer impact at implementation.** 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. Insurers will count any risk capped by the Grid, at time of filing, as uncapped, therefore Grid capped policies should be reflected in both the uncapped and capped exposures columns.

SECTION 4: CERTIFICATE OF THE OFFICER

Complete the Certificate of the Officer - Appendix B1 in CARS, for each filing.

SECTION 5: ACTUARIAL SUPPORT (Not Required for Care First Filing)

SECTION 6: RATING RULE CHANGES

Insurers will not be permitted to change any rating rules except for rating for at fault claims/accidents or approved proxies on accident benefits coverage. Refer to the technical guidance for further information on what is permitted.

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.

The only permitted changes to segmentation are the inclusion of at fault claims as a rating variable for accident benefits.

7b) Base Rates

7c) Differentials

7d) Discounts and Surcharges

7e) Rate Capping

Rate capping is a voluntary 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.

Insurers are required to adjust the negative capping threshold to allow savings from the implementation of Care First to flow to the customer. Positive capping cannot increase greater than current thresholds.

7f) Endorsements

Insurers will attach a copy of their Top-up endorsement, if offered, along with pricing for each if coverage or threshold offered. Provide details on whether the Top Up is sold with options to opt out for some coverages or if it is an all-inclusive package.

7g) Calculation of Rate Level Change and Average Rate

Use of AIRB Benchmarks

Oliver Wyman has developed estimates of insurance industry loss costs and premiums. They are working with the Actuarial Advisory Committee and other interested parties to assist the AIRB in developing guidance on how to reflect the differences in each insurer's mix of business or portfolio, which may significantly vary from the over all industry.

Details will be updated in these Guidelines in early March to reflect this direction.

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.

7h) 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 auto insurance.

SECTION 9: COMMUNICATION TO POLICYHOLDERS

The AIRB expects insurers to clearly communicate changes in their premium to policyholders at renewal. Insurers must provide copies of all communications no later than August 1, 2026,

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.
3. Copies of scripts or materials provided to broker/agents to understand implications of declining a top up and determining the appropriate top up for each client.

The quality of materials is considered in the review of each rate filing, and where inadequate the insurer will be required to amend. If the AIRB issues specific requirements for communicating changes on the implementation of Care-First they will be communicated through a bulletin in advance of the due date for materials.

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 - uncapped 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](#).