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## NEW BRUNSWICK INSURANCE BOARD

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To: **All Insurers Transacting Business in New Brunswick**  
Bulletin: **NBIB 2008-02**  
Subject: **Information Bulletin - Filing Guidelines for All Classes**  
Date: **August 7th, 2008**

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The purpose of this information bulletin is to set out the Board's revised filing requirements for all classes of vehicles and to assist insurers in making complete filings that may be processed with a minimum of delay. These filing requirements apply equally to Facility Association and IAO Actuarial Consulting Services Inc.

**This Information Bulletin 2008-02 replaces all previous Information Bulletins and standards issued by the Board with respect to automobile insurance rate filings.**

New Brunswick is a "prior approval jurisdiction" with respect to the regulation of automobile insurance rates and rating rules. The New Brunswick Insurance Board's (the Board's) regulatory role is to confirm compliance with the *Insurance Act* provision that rates are just and reasonable.

**NOTE:** If a company files more than twice in a 12 month period or files for an average overall rate increase of over 3%, the insurer must appear before the Board. *Please refer to Section 267.51 (1) of the Insurance Act.*

For miscellaneous vehicles, the combined average rate change should be broken into two categories, A and B. Please refer to tables below. The Board considers the weighted (inforce premiums) average of the category as the overall rate change not the individual rate change per class of vehicle.

<b>Category A Recreational Use</b>
Motorcycles & Mopeds
Snow Vehicles
All Terrain Vehicles
Antique Vehicles
Classic Vehicles
Motorhomes
Camper Units
Farm-type Tractors
Golf Mobiles
Dune Buggies
All trailers not used for commercial purposes.

<b>Category B All Other</b>
Taxis & Limousines
Public & Private Buses
Ambulances
Funeral Carriages & Hearses
Hired Cars
Police Vehicles
Fire Dept. Vehicles

## **What's New for Filing Requirements 2008-09?**

### General Info

- New email address for electronic copy filings@nbib-canb.org
- Number of hard copies required reduced to two (2)
- Final Copy required, once filing approved and Decision received by insurer

### RFR – 1 and RFR – 2 Changes

- Section 4 added table for ease of reporting
- Section 7 added requirement to indicate distribution channel
- Section 8 Miscellaneous classes complete overall average rate change
- Section 9 added new table
- Section 10 added table for both mandatory and optional
- Section 10 Dislocation tables now in increments of 5%
- Section 13 completed with capping
- Section 13 added columns for mandatory and optional, deleted No Frills Accident Benefits
- Section 14 Format changed
- Section 14 changes to better represent New Brunswick population
- Section 15 f tax rate and HSL
- Section 15g Assumption must be filed with ROE 12% and P/S ratio 2:1
- Section 15 k changes to territory criteria

### Appendix A

- Question 4 added column for written premium
- Question 7 added Property damage column
- Question 11 added new table

### RFR – 4 and RFR -5

- No longer considered a filing by the Board but rather an addendum to the previous rate filing

### RFR-6

- New for Underwriting rule change

## Types of Filings required by the Board:

1. **IAO Actuarial Consulting Services Inc. (IAO)** is requested to file for private passenger vehicles by August 15. The Board will refer to this as the **IAO Regular PP filing**. *Please refer to RFR-1 for filing requirements*
2. **PRIVATE PASSENGER REGULAR** - Every insurer shall file according to these requirements by September 15 the documentation supporting the proposed rates to be charged effective January 1 for new business and March 1 for renewal business whether or not these rates are different from the then current rates. The Board will refer to this as a **Regular or Annual PP filing**. *Please refer to RFR-1 for filing requirements*
3. **FACILITY ASSOCIATION PRIVATE PASSENGER** shall file according to these requirements by November 17 the documentation supporting the proposed rates to be charged for new and renewal business whether or not these rates are different from the then current rates. The Board will refer to this as the **FA Regular PP filing**. *Please refer to RFR-1 for filing requirements*
4. **IAO Actuarial Consulting Services Inc. (IAO)** is requested to file rates for **all other classes** by November 17. The Board will refer to this as the **IAO Regular Comm., Misc or Interurban filing**. *Please refer to RFR-1 for filing requirements*
5. **COMM & MISC & INTERURBAN REGULAR** – Every insurer shall file according to these requirements by February 27 the documentation supporting the proposed rates to be charged effective July 1 for new and September 1 renewal business whether or not these rates are different from the then current rates. The Board will refer to this as a **Regular or Annual Comm., Misc or Interurban filing**. *Please refer to RFR-1 for filing requirements*
6. **COMM & MISC & INTERURBAN Facility Association** shall file according to these requirements by April 15, the documentation supporting the proposed rates to be charged for new and renewal business whether or not these rates are different from the then current rates. The Board will refer to this as the **FA Regular or Annual Comm., Misc or Interurban filing**. *Please refer to RFR-1 for filing requirements*
7. Companies wishing to **adopt IAO private passenger** rates shall file by September 15. Companies wishing to adopt IAO rates must refer to Rate Filing Requirements for Companies Adopting IAO rates. These filings will be referred to as **-Company Name IAO Regular PP/Misc/Interurban/Commercial filing**. *Please refer to RFR-2 for filing requirements*
8. Companies wishing to **adopt IAO commercial, miscellaneous or interurban** rates shall file by February 27. Companies wishing to adopt IAO rates must refer to Rate Filing Requirements for Companies Adopting IAO rates. These filings will be referred to as **-Company IAO Regular PP/Misc/Interurban/Commercial filing** *Please refer to RFR-2 for filing requirements*

9. Insurers wishing to make an **Interim** filing at any other than the above mentioned filing dates will have to make a full filing. i.e., include actuarial justification. Please refer to the Filing Requirements for Regular or Interim rate filings. The Board will refer to this filing as an **Interim Rate filing**. *Please refer to RFR-1 for filing requirements*
10. Companies wishing to **update rate group tables** must refer to the Filing Requirements for Rate Group Updates. These will **not be considered a filing**. Board approval before implementing is required. Please refer to the Filing Requirements for rate group updates filings. The Board will refer to this as a **Rate Group Table Update**. *Please refer to RFR-3 for filing requirements*
11. A proposed **change to rating rules** must be sent to the Board with details of the proposed change and the expected impact of such a change. Please refer to the Filing Requirements for Regular or Interim rate filings. This **will not be considered a filing**. The Board will refer to this as a **Rating Rule Change filing**. *Please refer to RFR-4 for filing requirements*
12. Insurers wishing to make a **change to Endorsements** must refer to the Filing requirements for Endorsements. These will **not be considered a filing**. The Board will refer to this type of filing as **Endorsement Filing**. **Insurers are reminded that all changes to policy wordings must have prior approval of the Superintendents office as well as the NBIB**. *Please refer to RFR-5 for filing requirements*

## **General Filing Information**

- Filings must be submitted in both paper (2 copies in *unlabeled* 3 ring binders) and electronic form. Paper copies are to be submitted to:

NBIB

Attention: Ms. Kelly Ferris  
Manager Insurance Services  
600 – 55 Union St  
Saint John, NB  
E2L 5B7

- Attachments to email filing are to be submitted to [filings@nbib-canb.org](mailto:filings@nbib-canb.org) **and must include** in the subject line company name, date, and type of filing, class of filing, filing or amendment. *2008 Sep 1 Company RFR-1 PPV filing, amendment*
- Attachments should be sent in Excel, Word or pdf format.
- Separate filings must be submitted for each type of filing i.e. private passenger, commercial, miscellaneous and interurban. If an insurer is submitting filings for more than 1 company, separate emails must be sent for each company/filing. ***Failure to comply with this rule will result with email being returned with request to re-submit separately.***
- Sections divided. Example Section 1 – 15 and Appendices. Please use divider tabs labelled 1-15 and Appendix
- **PAGES MUST BE NUMBERED** using “<Section>.<Page>” format (e.g. 10.5 represents the 5<sup>th</sup> page of section 10). The pages must be 3 hole punched and presented in a 3 ring binder size compatible with the thickness of the document. Please ensure that Section 15 has pages clearly numbered. Each section and subsection should be labelled according to the section and subsection numbering outlined in RFR-1
- For Regular and Interim filings, the email copy must contain the 5 following attachments in Excel ,Word or pdf format, as follows;
  - Appendices
  - Cover Letter and Section 1-12. Cover letter must include the type of filing, class of vehicle, proposed effective dates, a summary of the proposed changes with a table breaking it down by coverage and territory and any non-compliance with these guidelines.
  - Section 13
  - Section 14
  - Section 15 with Exhibits

***Failure to comply with this rule will result in email being returned to you with request to re-submit.***

- Filing Guidelines are used by the Board as references, but should not limit an insurer from exercising appropriate judgment in ratemaking.
- Companies will be advised via email once filing has been approved. Signed Official Decisions will be sent to insurers at a later date.
- Decisions for approved filings can be found on the Board's website at [www.gnb.ca/nbib-canb/index-e.asp](http://www.gnb.ca/nbib-canb/index-e.asp)
- The Insurance Act and Regulations can be accessed at <http://www.gnb.ca>.
- A copy of all Info Bulletins may be found on the Board's website

### **Technical Notes**

- ↪ For the purpose of determining driving experience, insurers must credit new drivers with at least 3 years driving experience and operators with drivers training must be credited with Driving Record 6, provided that the driver has had no chargeable convictions or at fault accidents
- ↪ No Frills is no longer offered to policyholders as of April 30, 2008
- ↪ The Department of Health has advised that the rate for the Estimated Health Services Levy is approximately **6.65%**.

### **Procedures for Amendments**

- Queries from the Board or by the Board's consulting actuaries must be responded to within 4 business days.
- Amendments are to be submitted **electronically only**, unless otherwise directed by the Board. Email must include in the subject line; date, company name, type of filing, class of filing and amendment.
- The date of the amendments must be clearly indicated on the bottom of all pages.
- **PAGES MUST BE SEQUENTIALLY NUMBERED TO MATCH ORIGINAL FILING NUMBERING.** If an amendment is an additional page to be inserted between page 98 and 99, please label it 98a. It would be appreciated if companies would indicate if the page is additional or replacement page.

- Indicate the portion of the page amended by means of a vertical line, an asterisk or other similar marking, in the margin opposite to the amendment.
- Once a Decision has been rendered by the Board a company has 30 days to supply the Board with an updated rate manual and Final copy of the filing with all amendments and revisions included.

**OMISSION OF ANY OF THE GENERAL FILING OR DISCLOSURE REQUIREMENTS WILL RESULT IN A DELAY OF THE REVIEW PROCESS.**

**Approval Process**

Upon receipt of a filing, each insurer will receive an acknowledgement letter from the NBIB. The filing will then be reviewed for completeness based on the filing guidelines and the insurer will be informed of any further information required to complete the filing.

Once a filing is deemed complete, the NBIB or its consulting actuaries will review the technical components of the filing and may request further information from the insurer.

**Confidentiality**

NBIB may receive requests for any record in its custody or control. The Board has Ordered ([www.nbib-canb.org/genericdecisions-e.asp](http://www.nbib-canb.org/genericdecisions-e.asp)) that the following Sections of the Filings will be considered confidential:

Section 11: Summary of the Current and Proposed Base premiums and differentials;  
Section 13: Exhibit I Territorial Change Exhibit;  
Section 15: Actuarial Justification; and  
Appendix A: Summary of Information;