

**Information Bulletin
2011-002
Call for Information
Insurance Premium Financing Fees**

The New Brunswick Insurance Board is seeking information from companies writing automobile insurance in NB.

At a number of recent hearings before the Board, the issue of finance fee revenue has been raised in the context of the possible impact on automobile insurance rate indications provided within auto insurance rate applications. Finance fees, in this context, are defined as any extra cost charged to insurance consumers by the insurer as a result of allowing premiums to be paid in any manner other than as a lump sum at the onset of policy coverage.

The Board would like to develop a consistent approach to this issue and the first step in that process is to gather additional information from insurers.

The Board calls on all insurers writing automobile insurance in NB, for any class of vehicle, to provide information as follows:

- **Does your company provide a financing option to consumers that allows for premiums to be paid over an extended period (such as equalized billing or similar plans)?**
- **Does your company charge a fee to consumers for this service? Or does your company utilize an outside source (premium financing company) to provide this service?**
- **What is the fee and how is it determined?**
- **How is the finance fee revenue considered within your company New Brunswick rate applications? How does this compare to rate applications in other jurisdictions?**

Once responses have been received and considered the Board will determine what additional steps will be required to complete this process. All information provided at this stage of the process will be held in confidence by the Board.

Please provide this information no later than September 30, 2011 to the Board office.

New Brunswick Insurance Board
Attn: Kevin Duff, Secretary of the Board
email: kevin.duff@nbib-canb.org