Property and Casualty - Auto Bulletins

Pension Bulletins

Monitoring and Enforcement Bulletins

Licensing Changes Bulletins

Bulletins by Sector

Bulletin

No. A-01/90

Property & Casualty

- Auto

Implementation of OMPP (Bill 68)

Bulletin is to assist you with the implementation of OMPP (Bill 68).

1. **Proclamation of Bill 68**

   Bill 68 will be proclaimed as follows:

   May 29, 1990: Sections 1 to 14 inclusive, 16 to 38 inclusive, 41 to 43 inclusive, 47, 66 to 79 inclusive, 84, 88 to 93 inclusive of the Insurance Statute Law Amendment Act. 1990 (Bill 68).

   June 22. 1990: Sections 15, 39, 40, 44 to 46 inclusive, 48 to 65 inclusive, 80 to 83 inclusive, 85 to 87 inclusive of the Insurance Statute Law Amendment Act. 1990 (Bill 68).

   June 22. 1990: Section 372b of the Insurance Act as amended by s.74 of the Insurance Statute Law Amendment Act 1990 (Bill 68).

   July 23. 1990: ection 208a of the Insurance Act as amended by s.74 of the Insurance Statute Law Amendment Act. 1990 (Bill 68).

2. **The Commission**

   Pursuant to section 3 of the Insurance Act, as amended, I have been appointed Commissioner of Insurance and, pursuant to section 6, Elisabeth Sachs, Director of Arbitrations. The Acting Superintendent is Grant Swanson. The Deputy Commissioner is Bernard Webber.

3. **Approval Order for Classes of Risk Exposure & Rates (if applicable)**

This Order deals with the category Personal Vehicles - Private Passenger Automobiles (except the Optional Benefits Coverage). The classes and rates for this category are subject to the approval process.

This Order authorizes:

(1) the use of "Bill 10" classes and rates on and after June 22, 1990, the proclamation date for the new system of automobile insurance;

(2) the use of approved "Bill 68" classes and rates: these classes and rates must be in place on or before August 1, 1990; each insurer is to file its effective date of the "Bill 68" classes and rates.

Notes:

1. The Automobile Insurance Rates Control Act. 1989 (Bill 10) will not be revoked until June 22, 1990; s.81 of Bill 68.

2. "Bill 68" classes and rates cannot be used until June 22, 1990. If an insurer is unable to implement its approved "Bill 68" classes and rates on that date, it may use its "Bill 10" classes and rates. However, all insurers must have their approved "Bill 68" classes and rates in place by August 1, 1990.

4. **Exemption Order (if applicable)**

Certain coverages and categories have been exempted from the approval process. The classes and rates for the exempted coverages and categories are subject to the file and use system.

This Order authorizes:

(1) the use of "Bill 10" classes and rates on and after June 22, 1990, the proclamation date for the new system of automobile insurance;

(2) the use of "Bill 68" classes and rates any time after June 22, 1990; each insurer is to file its effective date (s of the "Bill 68" classes and rates.

5. **Exemption Order - Optional Benefits Coverage**

The Optional Benefits Coverage is subject to a file and use system. Under the Exemption Order insurers are able to charge for the coverage at the filed rate as of **June 28, 1990**.

The Optional Benefits Coverage is a new insurance product. Insureds will need some time to become informed as to their existence and to consider the necessity of purchasing them.

I am aware that some insurers wish to offer their insureds the coverage as soon as possible, but also wish to delay implementing the rate charge for the coverage for a short time during transition.

If your company chooses to delay charging for this coverage it should file two effective dates with the Commission - the date it offers the coverage and the date it implements the rates for the coverage.

6. **Regulations**

The following Regulations will be filed with the Registrar of Regulations this week. You were provided with copies of drafts last week. These Regulations will be published in The Ontario Gazette on June 16, 1990.

a) No-Fault Benefits Schedule (There have been minor amendments to the draft.)

b) Revision to Regulation 535, R.R.O. 1980 (uninsured motorist coverage).

c) Regulation, under the Insurance Act as amended.

1. Application for Automobile Insurance (s.203a) - effective on filing

2a. Monthly Premium Payments (s.207)

2b. Exemption from Notice (s.208a)

3. Refusal to Issue Contracts (s.208b) - effective on filing

3a. Indemnification for No-Fault Benefits (s.239b)

4. Application of sections 369 to 372b

5. Prohibited Classes of Risk Exposure (s.369 - 372b)

Further Regulations, for example, the fault determination rules, will be provided to you once they have been filed with the Registrar. It is intended that all relevant Regulations for OMPP will be filed before June 22, 1990.

7. Note Re **Underwriting** Refiling Requirements (s.3 of Regulation)

8. **Ontario Policy Form** (OPF) 1 will be published in The Ontario Gazette on June 16, 1990. You will be provided with a copy of OPFs 1, 2 and 4 later this week.

Donald C. Scott

Commissioner

May 30, 1990

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