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Pension Bulletins

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Bulletin

No. A-09/10
Property & Casualty
– Auto

Auto Insurance Reforms and Policyholder Communications

To the attention of all insurance companies licensed to transact auto insurance in Ontario

The Financial Services Commission of Ontario (FSCO) has produced three publications to provide consumers with information regarding the auto insurance reforms. The publications explain changes to the standard auto insurance policy in Ontario effective September 1, 2010, and new choices available to renewing policyholders.

The publications were drafted in consultation with the Consumer Information Working Group comprised of representatives of the insurance industry, other stakeholders and FSCO. In the interest of providing consistent and coordinated information to Ontario policyholders, insurers will distribute, or ensure distribution of, these publications to renewing policyholders as required by FSCO.

This Bulletin outlines FSCO's requirements regarding the treatment and distribution of these publications by insurers.

This Bulletin also provides an amended sample Certificate of Auto Insurance.

Early Awareness Mailer

Changes to Ontario Auto Insurance Give You More Choice (Early Awareness mailer) advises policyholders that the standard auto insurance policy is changing on September 1, 2010, and that they will get more information with their next renewal.

The Order approving an insurer's rates and risk classification systems as required by the auto insurance reforms will require the insurer to send by regular mail, to each of its policyholders on record on the date of the mailing, a copy of the Early Awareness mailer.

Insurers must produce, or ensure production of, this mailer so that the content is as provided in the documents attached to this Bulletin, and so that the insurer and/or insurance representative contact information appear in the designated field.

General formatting (e.g., font style, spacing, colours) and presentation (e.g., double-sided insert, folded brochure, single-sided 8½ x 11”) is at the discretion of the insurer and/or insurance representative, provided there are no alterations to the wording or the order of the content, and the text size is at least 10 point.

The Early Awareness mailer may be delivered in tandem with other communications of the insurer/insurance representative, provided it appears as a distinct piece and is not attached to, or integrated with, other communications.

Insurers are required to deliver, or ensure delivery via third-party, the Early Awareness mailer to all policyholders, in hard copy, post-marked no later than June 30, 2010. Insurers are encouraged to distribute, or ensure distribution of, the Early Awareness mailer at any time before that date.

New Business

For new business, i.e., policies written after the general distribution of the Early Awareness mailer and before September 1, 2010, insurers are to deliver the Early Awareness mailer to the new policyholders no later than September 1, 2010. It may be delivered on its own or with other communications, for example, policy documents.

Point of Sale Disclosure Document and More Choice Mailer

Property & Casualty – Auto Bulletin No. A-03/10: Revised Certificate of Automobile Insurance Form and Data Elements, issued March 15, 2010, referred to the development of a Point of Sale Disclosure document by the Consumer Information Working Group and advised that insurers would be required to include the document with the first renewal of any existing policy with a renewal date that falls between September 1, 2010, and August 31, 2011.

Now complete, the disclosure document is comprised of two parts:

- *Summary of Important Changes to Your Policy* (POS document), provides uniform, high-level information for consideration by policyholders in the lead-up to policy renewal.
- *Providing More Choice to Consumers: What You Need to Know About Changes to Auto Insurance in Ontario* (More Choice mailer) complements the POS document by giving more detailed information on changes to auto insurance policies after September 1, 2010, as well as other reforms to the auto insurance system that impact consumers.

Property & Casualty – Auto Bulletin No. A-03/10 also noted that the sample Certificate of Automobile Insurance (Ontario), as attached in that Bulletin, would be amended to introduce the POS document as an additional data element attached to and forming part of the certificate.

The amended sample Certificate of Automobile Insurance, incorporating the POS document and More Choice mailer, is attached to this Bulletin. This certificate must be used for all policies that are first issued or renewed between September 1, 2010 and August 31, 2011.

For policies issued or renewed after August 31, 2011, the certificate does not need to include the POS document or the More Choice mailer.

Insurers must produce, or ensure production of, the POS document and More Choice mailer so that the content is as provided in the documents attached to this Bulletin. General formatting (e.g., font style, spacing, colours) and presentation (e.g., portrait, landscape, double-sided, card, folded) is at the discretion of the insurer and/or insurance representative, provided:

- there are no alterations to the wording or the order of the content;
- the font size is at least 10 point;
- the chart content remains in chart format; and

the POS document and More Choice mailer remain distinct pages.

The box directing consumers to the contact information included on the material accompanying the POS document and the More Choice mailer is mandatory. The box providing the same or additional contact information is optional.

FSCO expects that, commensurate with the requirements of section 236 of the Insurance Act, renewal materials, including the Certificate incorporating the POS document and More Choice mailer, will be delivered to policyholders at least 30 days before policy expiry.

Distribution via Electronic Channels

Any or all of the publications can be delivered to policyholders in electronic form only where the policyholder has clearly indicated that electronic is the preferred method of communication and delivery of policy renewal documents.

Materials

The text and hi-res graphics for all three publications are available in Word and PDF format, in English and French, on FSCO's website at www.fsco.gov.on.ca. Instructional guides and Qs&As to assist in formatting the publications will also be available on FSCO's website.

Insurance Bureau of Canada has informed FSCO that Informco Inc. of Toronto is available to assist insurers with their print production needs. Informco can be reached at (416) 285-1700 or info@informco.com.

Insurance Representative / Third-Party Distribution

FSCO expects that insurers planning to distribute the publications through insurance representatives (i.e., brokers and agents) will oversee the production and distribution process to ensure all policyholders receive the publications as outlined above.

Audit

Insurers will be subject to audit for the purpose of confirming compliance with the requirements of the Insurance Act as set out in this Bulletin. Please retain and be prepared to produce records that demonstrate your compliance, if requested by FSCO.

Philip Howell
Chief Executive Officer and
Superintendent of Financial Services

May 28, 2010

Attachments:

- Amended Sample Certificate of Automobile Insurance, including (PDF):
  - *Summary of Important Changes to Your Policy* (POS document) (MS WORD)
  - *Providing More Choice to Consumers: What you need to know about changes to auto insurance in Ontario* (More Choice mailer) (MS WORD)
- *Changes to Ontario Auto Insurance Give You More Choice* (Early Awareness mailer) (PDF) (MS WORD)

Instructional Guides

- Instructional guide re Changes to Ontario Auto Insurance Give You More Choice (Early Awareness mailer) (PDF)
- Instructional guide re Summary of Important Changes to Your Policy (POS document)

(PDF)

- Instructional guide re Providing More Choice to Consumers: What you need to know about changes to auto insurance in Ontario (More Choice mailer) (PDF)

Note: These documents in MS Word include the logos in hi-resolution.

Adobe AcrobatÂ® Reader enables you to view and print PDF documents, as well as use Fillable/Saveable PDF* forms. Download the latest version of Adobe AcrobatÂ® Reader by visiting the Adobe Website.

* Please Note: In order to make use of the "SAVE" feature, Adobe AcrobatÂ® Reader version 7.0 or higher must be installed.

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5160 Yonge Street
Toronto, ON M2N 6L9
1-800-668-0128
(416) 250-7250

Changes to Ontario Auto Insurance Give You More Choice

On September 1, 2010, changes are coming to auto insurance in Ontario.

Additional accident benefit choices will allow you to customize your policy to suit your needs.

These choices will give you greater influence over the price you pay for insurance.

Pricing will vary based on the benefits you purchase.

What's Next

The reforms and new choices take effect September 1, 2010.

Your policy will remain unchanged until your next renewal. At that time, you'll be provided with more information on the changes and your options.

After September 1, 2010, you can also choose to make changes to your policy prior to its renewal date.

Stay tuned for more information	**Option #1** Contact your insurance representative for more information. ABC Insurance 1234 1st Street Anywhere, ON Canada www.ABCinsurance.ca Tel: (416) 555-5555	**Option #2** Contact your insurance representative identified on the material from the insurance company enclosed with this document.

For general information about changes to auto insurance in Ontario, contact:

IBC | Insurance Bureau of Canada
Consumer Information Centre
www.ibc.ca
Telephone (416) 362-9528
Toll-free 1-800-387-2880

Ontario
Financial Services Commission of Ontario
www.fsco.gov.on.ca
Telephone (416) 250-7250
Toll-free 1-800-668-0128
TTY (416) 590-7108, 1-800-387-0584

This text cannot be changed

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This text cannot be changed

Stay tuned for more information

This text needs to be customized. You must choose option # 1 or 2.

Option #1
Contact your insurance representative for more information.

ABC Insurance
1234 1st Street
Anywhere, ON Canada
www.ABCinsurance.ca
Tel: (416) 555-5555

Option #2
Contact your insurance representative identified on the material from the insurance company enclosed with this document.

Option # 2 can only be used if the contact info includes a tel. number that is clearly indicated on the enclosed material

For general information about changes to auto insurance in Ontario, c

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Consumer Information Centre
www.ibc.ca
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Toll-free 1-800-387-2880

Ontario
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www.fsco.gov.on.ca
Telephone (416) 250-7250
Toll-free 1-800-668-0128
TTY (416) 590-7108, 1-800-387-0584

This text cannot be changed

Option # 1 requires all of the insurance company's contact info, including an address, website & tel. number