Auto Insurance Reforms and Policyholder Communications, Part 1

Bulletin

No. A-09/15

Property & Casualty

– Auto

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

NOTE: The bulletins that are posted on this website are provided for historical reference purposes. The information in these bulletins is accurate on the date the information is published, but is subject to change and may be replaced by more recent bulletins.

An order that is made regarding a licence holder reflects a situation at a particular point in time. The status of a licence holder can change. Readers should check the current status of a person's or entity's licence on the Licensing Link section of FSCO's website. Readers may also wish to contact the person or entity directly to get additional information or clarification about the events that resulted in the order.

These bulletins may include forms that are no longer up-to-date or accurate. Readers should visit the forms section of the FSCO website, to ensure they are using the most recent version of a FSCO form.

The Financial Services Commission of Ontario (FSCO) is producing two publications to provide consumers with information regarding the auto insurance reforms. The publications explain changes to the standard auto insurance policy in Ontario effective June 1, 2016, and the new choices available to renewing policyholders.

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 and attaches the first document, Early Awareness mailer, for action.

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 June 1, 2016, and that they will get more information with their next renewal.

FSCO requires insurers 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 document 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, buck-slip, 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 March 31, 2016. 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 June 1, 2016, insurers are to deliver the Early Awareness mailer to the new policyholders no later than June 1, 2016. It may be delivered on its own or with other communications, for example, policy documents.

Point of Sale Disclosure Document

Property & Casualty – Auto Bulletin No. A-08/15: Revised Certificate of Automobile Insurance Form and Data Elements, issued September 18, 2015, referred to the development of a Point of Sale Disclosure (POS) document by the Reform Information Working Group and advised that insurers would be required to include the document with new business and policy renewals effective on or after June 1, 2016.

Once the Group has finalized the disclosure document, FSCO will issue an amended Certificate of Automobile Insurance (Ontario) ("Certificate") that will introduce the text of the document as an additional data element of the certificate. The amended Certificate, incorporating the POS document, must be used for all policies that are first issued or renewed between June 1, 2016 and May 31, 2017. The amended Certificate is expected to be issued in January, 2016.

Insurers will not be required to refile Certificates for the sole purpose of reflecting the inclusion of the POS document.

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 publications are or will be available in MS WORD, in English and French, on FSCO's website at www.fsco.gov.on.ca.

Insurance Representative/Third-Party Distribution

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

Brian Mills
Chief Executive Officer and
Superintendent of Financial Services

November 10, 2015

Attachments:

- Changes to Ontario Auto Insurance Give You More Choice (Early Awareness mailer)
  MS WORD Size: ## kb| HTML Size: ## kb

Note: This document in MS Word includes the logos in hi-resolution.

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