



Automobile Insurance Directive IRAC-I-004

December, 2008

Disclosure & Filing Guidelines for Initial, Annual and Interim Rate Filings

The following information is required to constitute a complete rate filing and must be filed as part of any initial, annual or interim rate filing for all classes of vehicles.

One hard copy is required to be submitted. Filings may also be initially submitted in an electronic format with a hard copy to follow.

• Disclosure Requirements

1. the name, title, company name, address, telephone number, fax number and email address of the individual submitting the filing;
2. a letter signed by an officer of the company on whose behalf the filing is being made, granting the individual identified under number 1 the authority to submit the filing. The letter must contain the full name of the company as licensed with the Superintendent of Insurance of Prince Edward Island and the person signing this letter cannot be the same individual indicated under section 1;
3. a declaration regarding which market segment(s) the company underwrites (for e.g. *Preferred, Standard, Non-Standard, Group*). All market areas are to be specified. Where a company underwrites more than one segment, please indicate the company's primary target market; and
4. in the event of rate changes, a complete description of the purpose and scope of the filing, including specific identification of any changes in definitions of risk classification categories, including discounts and surcharges; or alternatively, a declaration of a proposal to continue current rating rules.

• Filing Requirements

First-time or Initial Filings (New Entrant into the P.E.I. Market)

First-time or initial rate filings must include:

1. the insurer's current rate manual, including:
 - the risk classification system used by the insurer;
 - all underwriting rules and guidelines;
 - all discounts and surcharges currently in use; and
 - any other rate provisions or considerations that may be taken into account in arriving at the cost of insurance, including, but not limited to, accident forgiveness provisions;
2. the rates the insurer proposes to charge for automobile insurance and the effective date;
3. completed PEI auto insurance rating profiles based on the company's primary target market (see Private Passenger #s 1-8, Commercial #s 9-10 and Miscellaneous # 11-15).

Filings Where Rates are Proposed to Remain the Same

Where an insurer proposes to continue to charge the rates currently in effect and there are no changes to:

- its current rate manual;
- any discounts or surcharges;
- its risk classification system; and
- its underwriting rules and guidelines,

the insurer's filing must include:

1. a declaration stating that the insurer proposes to continue to charge the current rates in effect with no changes; and
2. completed PEI auto insurance rating profiles based on the company's primary target market (see Private Passenger #s 1-8, Commercial #s 9-10 and Miscellaneous # 11-15).

Filings Where Rates are Proposed to be Reduced

Where an insurer proposes to reduce the rates currently in effect, the insurer's filing must include:

1. the relevant amendments to the insurer's current rate manual, including any changes to:
 - the risk classification system used by the insurer;
 - the insurer's underwriting rules and guidelines;
 - discounts and surcharges currently in use; and
 - any other rate provisions or considerations that may be taken into account in arriving at the cost of insurance, including, but not limited to, accident forgiveness provisions;
2. the rates the insurer proposes to charge for automobile insurance, and the proposed effective date for both new and renewal business;
3. an explanation of the changes proposed to the rates, risk classification system (if any), and underwriting rules and guidelines (if any), together with the percentage change in rates and the reasons for the change; and

4. completed PEI auto insurance rating profiles based on the company's primary target market (see Private Passenger #s 1-8, Commercial #s 9-10 and Miscellaneous # 11-15).

Filings Where Rates are Proposed to be Increased

Where an insurer proposes to increase the rates currently in effect, the insurer's filing must include:

1. relevant amendments to the insurer's current rate manual, including any changes to:
 - the risk classification system used by the insurer;
 - all underwriting rules and guidelines;
 - all discounts and surcharges currently in use; and
 - any other rate provisions or considerations that may be taken into account in arriving at the cost of insurance, including, but not limited to, accident forgiveness provisions;
2. the rates the insurer proposes to charge for automobile insurance, and the proposed effective date for both new and renewal business;
3. a detailed explanation of the changes proposed to the rates, risk classification system (if any), and underwriting rules and guidelines (if any), together with the percentage change in rates and the reasons for the change; and
4. completed PEI auto insurance rating profiles based on the company's primary target market (see Private Passenger #s 1-8, Commercial #s 9-10 and Miscellaneous # 11-15).

Filings Where Rating Rule Changes are Proposed

Changes of this nature are subject to review by the Commission and are considered a rate filing in accordance with section 258.3 of the province's *Insurance Act*.

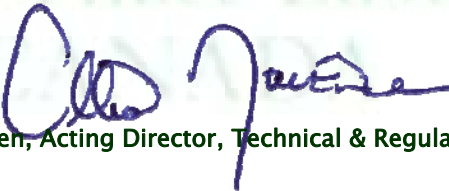
Where an insurer proposes changes to the rating rules or definitions, including changes to discounts, surcharges and underwriting rules currently in effect, the insurer's filing must include:

1. a detailed description of the proposed changes, including the rate level impact, as well as the approximate number of exposures affected;
2. the proposed effective dates for both new and renewal business;
3. relevant amendments to the insurer's current rate manual; and
4. completed PEI auto insurance rating profiles based on the company's primary target market (see Private Passenger #s 1-8, Commercial #s 9-10 and Miscellaneous # 11-15).

Submissions and inquiries may be directed to Allison MacEwen or Heather Walker:

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DATED at Charlottetown, Prince Edward Island, this 23rd day of December, 2008.


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