

February 25, 2022

Financial Services Regulatory Authority of Ontario
Auto Insurance Sector
25 Sheppard Avenue West, Suite 100
Toronto, Ontario
M2N 6S6

Re: Proposed Guidance for Automobile Insurance Non-Standard Forms, Endorsements and Certificates of Insurance Approval Filing Process (No. AU0138APP)

Introduction

The Co-operators Group Limited (“Co-operators”) is a leading Canadian, diversified, integrated, multi-line insurance and financial services organization. As a co-operative, our 46 members include co-operatives and credit union centrals representing a combined membership of millions of Canadians.

Our footprint in Ontario is strong: we insure approximately 704,000 private passenger vehicles, 363,200 homes, 10,200 farms and 45,000 businesses, and employ over 3,700 staff. The insurance and financial products and services provided by Co-operators are delivered primarily through our independently contracted but exclusive financial advisor channel. We have independent distribution contracts with 250 financial advisors in the province who operate agencies in 310 locations. In turn, these independent financial advisors hire their own office staff and employ or independently contract with over 1,028 associate insurance and financial advisors.

We are proud to provide insurance and financial services to more than two million Canadians. We are even prouder that we provide financial security to Canadians in their communities while staying true to our co-operative values.

We appreciate the collaborative approach FSRA has followed throughout their journey to reform the regulation of insurance rates and underwriting, which has provided us with the opportunity to review this specific guidance and share our feedback through a public consultation. We support FSRA’s automobile insurance rate regulation principles which underscore the proposed guidance and direct the transition to a principles-based approach which will reduce regulatory burden and create better outcomes for consumers. We endorse a rate regulation framework that is flexible and allows for innovation, as these elements will create a more competitive automobile insurance market and ultimately increased choice for Ontario drivers.

General Feedback

We commend FSRA and support the approach outlined in this guidance which provides insurers with more flexibility, as well as a streamlined process, for the filing of non-standard forms, endorsements and certificates of insurance. FSRA has created an opportunity to bring more innovation to the market with this change.

We are pleased to see a single filing process replace the former process, which was at times confusing and often required multiple filings. We anticipate the single filing will improve the efficiency of the process significantly. The ability to submit rates and underwriting rules for standard endorsement forms under this guidance is also a welcomed change.

The improved transparency through the publication of non-standard forms is another feature that we expect will improve efficiency. However, we would appreciate more information from FSRA to understand what criteria will be followed to determine if a new non-standard form will be published. In the situation where an insurer is first-to-market with a unique product, we believe the insurer should have the ability to redact specific parts of the form that contain proprietary information or offer a competitive advantage. Alternatively, consideration should be given to keeping a standard form that fits this description unpublished.

We view the standardized service standards as helpful, as they allow insurers to anticipate timelines and schedule the implementation of changes in their systems, as required.

Conclusion

Co-operators supports FSRA's rate regulation principles and ongoing transition towards a principles-based approach to regulating automobile insurance. We are pleased to see the changes proposed in this guidance as they will reduce regulatory burden, improve efficiency and speed-to-market and create new opportunities for innovation.

If you would like to discuss our feedback, please do not hesitate to reach out to our Associate Vice President of Regulatory Affairs & Rating Systems, Todd Saunders, at todd_saunders@cooperators.ca.



Amélie Beauregard
VP, Home and Auto Pricing
The Co-operators

February 25, 2022
Date