

# 2010 Ontario Auto Changes

## Frequently Asked Questions

Version 1.3

June 15, 2010



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## Document Revision History

Version #	Date	Change Description
1.0	April 22, 2010	Original document
1.1	April 30, 2010	Added Sections and content for Updated and New Questions and Answers
1.2	May 19, 2010	Added a revised answer in Updated Questions and Answers section. New questions added to New Questions and Answers section.
1.3	June 15, 2010	New information of how to report the Optional Benefits where more than one vehicle on the policy on pages 10 -11. Updated question on when to report the new information for new and renewal policies in November and December 2010 on page 7.



## 1. Questions and Answers

**Q: Effective dates -** The legislative changes come into effect September 1st 2010 new business and renewals. The IBC reporting changes have a date of January 1st 2011 policy effective dates. From September 1st 2010 to January 1st 2011 we plan on reporting the Accident Benefits coverages and premiums as we do today. Therefore the new AB coverages and premiums will be rolled into one premium for reporting purposes. Please advise if this is the correct way to report AB coverages and premium during this transition period.

**A:** Yes, this is correct, on and after January 1, 2011, premium should still be reported under the AB coverage; the only difference is the reporting of indicators, signifying the presence of the optional coverages.

**Q:** I'm assuming but wanted to confirm that all of the premium for the Accident Benefits Optional Coverages will be aggregated with the base Accident Benefits coverage premium and reported under the accident benefits premium. Likewise, the Added Coverage to Offset Tort Deductible will be reported under the BI premium. Can you confirm that is what we are supposed to be doing? We were expecting FSCO would want to monitor the premium under the different options.

**A:** This assumption is correct.

**Q: Upon Cancellation, do we leave the Accident Benefits Optional Coverage that was in place immediately prior to the cancellation or do we report it as blank?**

**A:** The information on your cancellation, must match the information that was in place immediately prior to the cancellation.

**Q: Will IBC be adding new Kind of Loss codes too?**

**A:** No new Kind of Loss codes are being added.



**Q: Will IBC introduce a new Kind of Loss code for minor injury?**

**A:** A new Kind of Loss code is not introduced, since this information is captured at a claim level in a new field in column 340 – Accident Benefits Minor Injury Indicator. Furthermore, the determination of minor injury is at a claimant level; the table defines how the code is to be reported.

All claimants with minor injuries	0
Claimants with both minor and non-minor injuries	1
All claimants with non-minor injuries	2

**Q: At Fault Claims 25% or less - There was no mention in the bulletin regarding the change in risk classification for at fault losses. At fault losses 25% or less fault should not be used for risk classification purposes for losses on or after Sept 1 2010. Should we take this into consideration when reporting claims data to the IBC? Is the IBC's definition of a claim changing to reflect this? Currently the definition in relation to fault reads, "where the user or operator of such vehicle at the time of the occurrence was deemed not to be fault free". Therefore if an operator was considered to be 1% to 100% at fault for a loss currently we report this claim in the "Number of claims" and "Number of years claims free" fields on Statistical plan 8 premium records.**

**A:** The Bulletin deals with the new reporting requirements resulting from the September 1, 2010 Ontario Auto Reform; there is no change to reporting of Number of Claims and Number of Years Claims free; the definition remains the same (i.e. " where the user or operator of such vehicle at the time of the occurrence was deemed not to be fault free"); the purpose for this data is to collect actual claim experience in accordance with established Fault Determination Rules, NOT necessarily on a "rated as" basis."

**Q: I am interested in knowing how the industry should be reporting the Section 25 (insured's request for Examination) and 44 (Insurer Examinations) post-Reform in the Stat Plan (i.e. which loss code should we use). This is important especially since the 25's will now be subject to the Med/Rehab limits for Non-Cat claims. Are there any changes on how we code payments for Claimant-Requested Assessments (Cost of Exam or Medical) vs. Insurer Examinations?**

**A:** Continue to use the same kind of loss code 86.



**Q: Do payments for items such as form completion, assessment to complete a form, clinical notes and records, treatment progress reports apply to a claimant's med/rehab limits? These are currently coded as a loss under Cost of Examination as well.**

**A:** Whether these costs apply to med/ rehab limits or a separate limit should be verified with FSCO, however reporting of claims should use the existing Kind of Loss 86.

**Q: OPCF 48 - This endorsement is being added to facilitate the buy down of the Bodily injury deductible. We currently do not report deductibles separately and I would assume that there will be no change in relation to this endorsement. However there is a question as to were we should report the premium associated with this endorsement. The assumption is that it would be reported with the Third Party Liability BI premium. Can you confirm this?**

**A:** Premium should be reported with the Third Party Liability BI Premium; the added field for OPCF 48 is only an indicator, signifying the presence of this endorsement.

**Q: B9090 - Blank is not an option for AB Catastrophic Impairment Indicator except when the record is a trailer. What value is IBC expecting for Cat Impairment Indicator when the C, H & HM is "1"? Would it not be possible to have multiple claimants in the household/policy with one or more Cat and the other (s) not having Cat? If so, would it not be possible to have a Cat Impairment Indicator of 0,1,2 and C,H&HM value of "1" at the same time?**

**A:** When the C, H, & HM is a 1, you can report any value for the cat ind. Knowing that the insured purchased the optional coverage, it entitles them to this coverage whether or not the injury is a cat.

Remember that when reporting Accident Benefits in ASP, you report by claim not by claimant.

Individual payments are probably reported by claimants but aggregated to claim

Yes it is possible to have multiple claimants in the household/policy with one or more have cat and others not have cat injuries.

Since you are only reporting one record for each kind of loss code, you would report the cat impairment indicator with a 0,1, or 2, depending on the number of claimants with a cat loss.

**Please note** that B9090 is validating the Kind of Loss codes 85 and 95 are reported properly, it is NOT validating the combination of C, H, & HM and Cat Impairment Indicator; i.e. for Kind of Loss 85/95 if C, H, & HM are a 1, the Cat Impairment Indicator can be any value.



**Q: B9085 - Can we report non blank values on endorsement transactions for the Accident Benefits Optional Coverages when there the premium is 0 for Accident Benefits because the endorsement is affecting another coverage on the vehicle (i.e. adjusting a physical damage coverage)? The Accident Benefits Coverage still exist as well as the Accident Benefits Optional Coverages.**

**A:** When you report change to physical damage, you must leave all the fields related to Accident benefits blank, including the coverage code.

**Q: Will the OSABS Stat Plan be changing too?**

**A:** The OSABS Stat Plan will not be changing.

**Q: Under which OSFI line of business codes these will the new optional coverage's be reported and is there any impact to the ABR reporting to IBC?**

**A:** These additional codes will not impact on Annual Balance Reconciliation, since they are only indicators to signify the presence of the optional coverage. Any premiums associated with these optional coverages are reported with the Accident Benefits or TPL-BI (in the case of OPCF 48).



## ***1.1. UPDATED Questions and Answers:***

### **Updated for Version 1.3 - June 15, 2010**

**Q: If the new coverages will be offered in September, how do we report them to you?**

**A:** In response to numerous industry requests, we have revised our implementation plans for the changes related to the 2010 Ontario auto reforms. (Reference IBC DQ-2010-08 Bulletin)

As a result, we will introduce the new edit rules on November 29, 2010, for all transactions, regardless of Entry Date. Please note that, for the purposes of ASP reporting, the changes remain effective for transactions with Policy Effective Dates and Accident Dates of January 1, 2011 and later.

The test environment for the new edit rules will be available to companies on November 29, 2010.

We have already implemented some changes to assist companies with reporting advance renewals. For transactions with Policy Effective Dates of 2011-01-01 or later:

1. Reported with blank in the new fields prior to November 29 – the system will generate error code A6g8.
2. Reported with actual values in the new fields prior to November 29 – the system will generate error code A6g9.

As of November 29, 2010, once the new edits are in production, transactions with error codes A6g8 and A6g9 will be recycled. Transactions with error code A6g9 will be accepted as valid. Transactions with error code A6g8 will generate the applicable error codes.



### **Updated for Version 1.2 - May 19, 2010**

**Q:** For increased AB today, on secondary vehicles (assuming another vehicle on the policy has the increased AB coverages attached), the AB code is reported as code 73/74 for basic. However, the secondary vehicles do have the increased AB coverages and have separate increased AB coverage premiums attached. I am assuming we should be reporting increased AB coverage indicators 75/76 for all vehicles on the policy that have liability coverage in force. Please advise.

**A:** It is our understanding that Optional Accident Benefits coverages, because they follow certain described persons, may often apply on vehicles insured under the policy which do not bear any additional premium for such optional benefits. Under these circumstances the Optional Accident Benefit coverage indicators must be reported for all the vehicles on the policy on transactions reporting AB premium.

Enhanced Accident Benefits Coverage codes 75/76 must be reported only where the Accident Benefit premium includes increased premium resulting from the optional coverages, otherwise report Basic coverages 73/74. This means that on secondary vehicles, the applicable Optional Accident Benefit coverage indicators should be reported, with:

- Basic Coverage codes (73/74) if the Accident Benefits premium does NOT include any additional premium for optional coverages, or
- Enhanced Coverage codes (75/76) if the Accident Benefits premium includes additional premium for optional coverages.

On claim transactions, report the coverage code and Optional coverage indicators reported on the premium records for the vehicle the claim is associated with.

Similarly with OPCF<sub>48</sub>, it is also our understanding that this applies at a policy level as well, but the indicator must still be reported for all transactions reported with TPL-BI Coverage Premium, including all vehicles under the policy.”

Edit Rule Bgo88 will be modified accordingly.



**Q: Today for occasional drivers we report the same AB code as the vehicle they are attached to. Should we continue to report this way when the new AB changes are applied? Are the AB optional coverage codes to be reported on occasional drivers?**

**A:** Yes they have to be reported if Accident Benefits premium is reported (refer to the answer to the above question).

**Q: Is the OPCF48 coverage code on the vehicle to be also reported for occasional drivers?**

**A:** Yes they have to be reported if Liability premium is reported (refer to the answer to the above question).

### **Updated for Version 1.1 - April 30, 2010**

**Q: If we have 1 claimant who has a Minor injury and a 2nd claimant who has a Catastrophic injury, how do we report the Minor Injury Indicator? Should it be '1'?**

**A:** The two indicators should be reported as:

- Minor Injury Indicator: 1 (claimants with both minor and non-minor injuries)
- Catastrophic Impairment Indicator: 1 (One claimant with catastrophic impairment)



### ***1.2. NEW Questions and Answers:***

#### **Added for Version 1.3 June 15, 2010**

Some sample business scenarios describing the reporting of optional benefits for households with multiple policies or vehicles.

#### **Scenario 1**

One household has two automobile policies;

Policy A has purchased optional Accident Benefits coverage.

Policy B has Basic Accident Benefits coverage only.

A car on the Policy B is involved in an accident and the insurer covers the optional AB claim from Policy A.

**Q: Should the claim be reported on the vehicle involved in the accident (i.e. Policy B) or should the claim be reported on the vehicle on Policy A which has the Optional Accident Benefits.**

**A:** The claim should be reported on the Policy/ vehicle responding to the claim (i.e. Policy A)

#### **Scenario 2**

One policy has 2 vehicles;

Vehicle # 1 has purchased Optional Accident Benefits coverage.

Vehicle #2 has basic Accident Benefits coverage only.

Vehicle #2 is in an accident and the Optional Accident benefits claim is paid since the benefits extend to Vehicle #2.

**Q: Should the claim be reported under vehicle 2 which has only basic accident benefits coverage or should it be reported under Vehicle #1 which has the Optional Accident Benefits.**

**A:** The coding of the claim should flow to the vehicle that coded the premium (claims should follow premiums always!). Some insurers issue one policy per vehicle, while others issue one policy for all vehicles in a household.



## **Scenario 3**

The OPCF<sub>48</sub> endorsement is on a policy with 3 vehicles and the additional premium is paid only for Vehicle #1

**Q: If a claim arises from an accident with Vehicle #2 or Vehicle #3, should the claim be reported under vehicle #1, where the additional premium was paid?**

**A:** The Claims should follow premiums – the claim should be reported against the vehicle which paid the premium for OPCF 48.

## **Scenario 4**

Regulation requires to take all claimants, even if a policy does not exist.

**Q: How do we report such claim to IBC?**

**A:** Do not report such claims to IBC, since you would be unable to provide any corresponding policy information, such as classification, territory or driver/ policyholder information; once the claim has been subrogated to the responsible insurer, such insurer would report the claims to IBC.



### **Added for Version 1.2 May 19, 2010**

**Q: In regard to that A599 error the directions for companies are to correct other errors in the transaction, leave A599 and then "Accept the transaction with errors". Once the system is ready with the changes the A599 error transaction will be recycled and accepted automatically. However, what about if A599 is the only error on a record? Should companies simply ignore those or do they have to go in and also "Accept the transaction with errors"?**

**A:** If the transaction has only A599 then the company does not need to do anything further. Once the changes are implemented on the Submission Management system these transactions are automatically recycled and accepted.

**Q: If an insured only purchases one of the buy- back options, (with no excluded driver) which coverage code should we report?**

**A:** Use coverage code 76 and complete the value in the new field for the coverage that has been enhanced. Remember to report the same values on the claims record, when a claim occurs.

**Q: If there is a revision done in 2011 against a policy with a December 2010 or earlier Policy Term Effective date, should the new information be reported on the transaction?**

**A:** No, any revision transaction submitted in 2011 for a policy with effective term date prior to January 1<sup>st</sup> 2011 should not contain information in the new fields. If the new field values are populated then the transaction will be placed in the error file.

**Q: Is there a rule or an edit on when "Accident Benefits Catastrophic Impairment Indicator" and "Accident benefits Minor Injury Indicator" should be reported and can the company change the answer over time?**

**A:** These two indicators are reported as the status at the time of reporting the loss payment/ loss reserve; if the status of the Minor Injury indicator or the Catastrophic Impairment Indicators subsequently change, the new status should be reported on subsequent transactions (i.e. there is no requirement to offset/ onset previously reported transactions with the new status.



### **Added for Version 1.1 - April 30, 2010**

**Q: Regarding the AB Minor Injury Indicator, what does "non-minor" mean? Does this include Catastrophic?**

**A:** Minor injuries are defined in FSCO Statutory Accident Benefits Schedule – Effective September 1, 2010; “non-minor” includes injuries not deemed minor, and accordingly includes catastrophic.

**Q: What should be reported under the new fields for non-owned auto?**

**A:** If the policy was issued with an Accident Benefits Coverage and premium attached, then the new fields must be reported.

**Q: Is there an IBC Test environment available so we can submit our test files for Auto Regulation Changes project?**

**A:** There will not be a separate test environment set up. The Ontario Reform changes will be implemented to production at IBC around mid December. At that point companies can utilize the Auto Submission Management application test module for testing the reporting changes. Prior to submitting your data to production you can submit the file as test data and verify the results.

**Q: What IBC expects to see in the new fields before January 2011? How to report advanced renewals in late 2010?**

**A:** Companies that are submitting advance renewals with November and December Entry Dates have two options for reporting:

- First option is to leave the new fields blank for subsequent correction by companies. In early 2011, IBC will extract all transactions with missing field values and ask companies to add the missing information. Details on this option are described in bulletin DQ-2010-04.
- The alternative option allows reporting of the new fields on all transactions with Policy Effective dates of 2011-01-01 and later in renewal transactions with November and December 2010 Entry Dates. The IBC edits will generate error code A599 for such transactions. Please ensure that your error correction staff members correct all other errors and “Accept the transaction with errors.” When IBC’s changes are ready and implemented in production, all of



the above transactions will be recycled and, if free of non A599 errors, will be accepted by the system. IBC will ensure that no fees will be charged for the above errors. Details on this option are described in bulletin DQ-2010-05.

**Q: What happens if companies implement changes in 2010, populate new fields' value for policies whose policy effective date is prior to January 2011 and report the data to IBC in October, November or December 2010?**

**A:** All transactions with policy effective dates prior to January 2011 which have the new field values reported will be identified as in error.

**Q: Re reporting of Occasional Drivers and OPCF48! Consistency error B9084 seems to indicate that if you send blank for the OPCF48 then the BI premium must be 0 or blank. Does it also indicate that the BI coverage code must be blank? If this is the case, since we charge liability premiums for occasional drivers, this seems to say that we must send 0 or 1 for the OPCF48 code for occasional drivers. Is this the correct interpretation?**

**A:** Yes, if Liability premium is charged, the OPCF48 indicator must be 0 or 1; we determine liability premium present by the amount field (not the coverage code).



## 2. Information, Support and Contact Details

**Q: Where can we find more information on the Ontario Auto changes?**

**A:** More information on the Ontario Auto changes is available on the IBC Data Processing site at the following web link: [http://www.ibc.ca/en/DQ\\_Management/DQ\\_Bulletins\\_2010.asp](http://www.ibc.ca/en/DQ_Management/DQ_Bulletins_2010.asp)

Additional information can also be found on the Financial Services Commission of Ontario (FSCO) website: <http://www.fsco.gov.on.ca/>

**Q: Who do we contact with questions relating to the data reporting?**

**A:** Companies should contact and communicate with their designated Data Quality Analyst at IBC.