



Date: December 19, 2014

Bulletin: GISA 2014-12

To: All ASP Reporting Companies

RE: **Financial Information Deficiency Fee System**

The collection of Financial Information (FI) is now entering its third year, with the 2013 reports now available industry wide. One of the largest challenges encountered to date with this data collection has been receiving accurate information within the prescribed timeframes.

The FI data collected from reporting companies is incorporated in a number of GISA exhibits; in addition it is used by regulators and rate boards in their analysis and rate review processes. Many insurers report this information accurately and in a timely manner, but those who do not, and submit late or incorrect data, jeopardize the exhibits and reports being produced on time. The delay in reporting has an impact on stakeholders preventing them from being able to carry out their mandates on time or forcing them to use outdated factors. Only minimal changes have been made to the FI reporting requirements this year in an effort to increase the stability to the reporting process for insurers.

GISA will be implementing a new Deficiency Fee System structure to FI collection, in order to encourage reporting companies to submit their data accurately and on time. During the first two years of FI collection, an escalation process was implemented to address deficient and inaccurate reporting. The processes and results over the last two years provided an opportunity for GISA to gather and assess the experience, which has contributed toward the development of an appropriate deficiency fee framework for FI reporting. The new fees are intended to reflect the costs associated with the retrieval and processing of missing data and the additional resources needed to review data resubmissions. The overall aim is to have all data submitted accurately on time with no fees collected.

Industry representatives were consulted in the application of this new framework, and their feedback has been incorporated into the final deficiency fee framework. The implementation of the deficiency fees to the FI collection will not impact the deficiency fees currently applied to the Annual Balance Reconciliation. The FI deficiency fees will apply to the filing of the P&C, FI Main, and Unallocated Loss Adjustment Expense data.

Daily Fee and by Market share (Small, Medium, Large)			
Fee	Fee (Small)	Fee (Medium)	Fee (Large)
Daily	\$100	\$250	\$500

Fee for Resubmission (Small, Medium, Large)			
Fee	Fee (Small)	Fee (Medium)	Fee (Large)
Resubmission*	\$2,500	\$5,000	\$7,500

*Applies only to the 1st resubmission, future resubmissions will not be assessed a fee. Resubmissions received prior to the reporting deadline will not be assessed a fee.

Direct Written Premium Ranges (AUTO):
Small : \$0 - \$49,999,999
Medium : \$50,000,000 - \$299,999,999
Large : \$300,000,000 - \$999,999,999

The current GISA DFS manual will be updated to reflect the new FI collection fees. In addition, we are in the process of developing the 2014 Calendar Year FI collection requirements and will include the details regarding the new deficiency fees.

Should you have any questions, please contact GISA's service provider, IBC, at 416-445-5912 or 800-761-6703, or email your assigned Data Quality Analyst.

General Insurance Statistical Agency