

MARKET BULLETIN

From	Director Worldwide Markets (extn 6677)
Date	25 August 2006
Reference	Y3864
Subject	Canada: Automobile business – rate and other filings
Subject areas	
Attachments	Appendix 1: Rate & Form Filings for automobile business
Action points	Underwriters, their coverholders and producing brokers to note
Deadlines	Ontario – 1 September 2006, New Brunswick – 15 September 2006 (Private Passenger Auto), 15 October 2006 (all other classes), Nova Scotia – 15 September 2006, Alberta – 29 September 2006.

The purpose of this market bulletin is to advise managing agents that they will be unable to write certain classes of automobile business in the provinces of Ontario, New Brunswick, Nova Scotia and Alberta if the market has not agreed a mechanism to agree matters such as rate changes in advance of various deadlines.

Canadian provincial regulation treats the Lloyd's market as a single insurer and requires one set of rates to be filed. Previously, all mandatory Canadian auto rate filings were determined by the Lloyd's Market Association's (LMA) Canadian Business Panel and bound all underwriters. However, in a letter from the LMA dated 30 June 2006, managing agents were advised of the LMA Board's decision to withdraw from all Market Agreements and as a result, the Canadian mandates (one for homeowners and another for automobile business) are no longer in force. As a consequence of this action the LMA Canadian Business Panel is no longer able to carry out a number of activities on behalf of the Lloyd's Market, including determining what rates are to be filed. There is an urgency to address this issue, in particular with regards to the filing of auto rates in Ontario, New Brunswick, Nova Scotia and Alberta.

A suitable alternative mechanism will have to be organised by managing agents to enable them to provide the necessary rate filing to the Attorney in Fact in Canada. The LMA have scheduled a meeting¹ on Friday, 1 September, venue Brit Presentation Room, 55 Bishopsgate, at 9am, to discuss the next steps. In the meantime, managing agents should note the situation in the four provinces explained below and the various deadlines (*in bold italics*).

Ontario

FSCO (the Ontario regulator) requires insurers to file the '2006 Private Passenger Automobile (PPA) CLEAR rating groups table no later than **1 September 2006**. The rating groups are effective from a date specified in any subsequent FSCO approval.

If by 1 September 2006 there is no indication that underwriters will make a CLEAR filing, the Attorney in Fact in Canada will withdraw the current rates. In this event, underwriters will not be able to write Ontario private passenger business from 1 September 2006 until the revised rating groups are filed.

New Brunswick

If the market wishes to continue writing automobile business in New Brunswick, the Attorney in Fact in Canada is required to file, on behalf of the market, the underwriting rules, rates and rating groups relating to the following:

- Private passenger auto: documentation supporting the proposed rates to be charged effective 1 January 2007 for new and renewal business must be filed by **15 September 2006** whether or not these rates are different from the then current rates.
- All other classes: a letter stating that underwriters will continue to charge current rates and will re-file as an amendment no later than 15 March 2007 must be submitted by **15 October 2006**.

If the above filings and submissions are not made by the deadlines, underwriters will not be able to write New Brunswick private passenger business from 1 January 2007 or any other New Brunswick business from 15 March 2007.

Note: Fleet business is not affected.

¹ If you wish to attend this meeting please contact Jan Connor, LMA Telephone: 020 7327 8338, E-mail: jan.connor@lloyds.com

Nova Scotia

The Nova Scotia regulator is withdrawing the current exemption from filing for FTC (classes 51, 61, 99) business. Rate filings must be made by **15 September 2006** and are considered approved if the regulator has not communicated otherwise in 30 days.

If a filing is not made by 15 September 2006, underwriters will be unable to write Nova Scotia FTC business after 15 October 2006.

Alberta

The Alberta Automobile Insurance Rate Board (AIRB) announced on 31 July 2006 an industry-wide uniform reduction in premiums for basic coverages on private passenger vehicles, mandated under Section 4 of the Automobile Insurance Premiums Regulation. All insurers are required to reduce their rating programs for basic coverage by 3% effective 1 November 2006. The reduction must be uniform with no variation by territory, class, driving record or other rating variable.

The Attorney in Fact in Canada is required to acknowledge, on behalf of the market, by **29 September 2006** that the market has made provisions to comply with Order No. 01-06. The order can be viewed on the AIRB website www.airb.gov.ab.ca. If no market mechanism for agreeing rates can be put in place before that date, acknowledgement will not be possible and underwriters will not be able to write mandatory coverages for private passenger vehicles in Alberta with effect from 1 November 2006.

Note: Commercial automobile business is not affected by this rate reduction and filing requirement.

Further details of the current regulatory position for rates and approved forms, and the classes of business that Lloyd's underwriters are permitted to write are shown in Appendix 1.

Further Information

If you have any queries regarding the content of this Market Bulletin, please contact:

Lloyd's Worldwide Markets Services

Telephone: 020 7327 6677

E-mail: market.services@lloyds.com

Location: Box 190b, Gallery 11

This bulletin has been sent to active underwriters and the compliance officers of managing agents and Lloyd's brokers.

The information contained in this Market Bulletin is provided in order to support managing agents in meeting their commitment **‘to protect Lloyd’s licences and authorisations to conduct in insurance business in the UK and overseas’**. The information will also help underwriters decide, prior to binding, how a risk can be underwritten in compliance with Lloyd’s trading rights in Canada.

More detailed information on Lloyd’s trading rights may be found on [www.lloyds.com/Lloyds Worldwide](http://www.lloyds.com/Lloyds_Worldwide). Select the appropriate country from the drop down menu which will take you to the webpage for the country selected. Select the “Quick Reference Guide” link for a summary of Lloyd’s licensing position. More detailed information may then be obtained for certain countries by selecting ‘Manual’ from the menu on the left hand side of the screen. You will be asked to input a password. Please contact the Worldwide Markets Services (contact details above) in order to obtain this information.

Julian James
Director
Worldwide Markets

Lloyd's Canadian Automobile

		Legend		E		Exempt from filing rates				APPENDIX 1	
				N/A		Not Applicable					
Province/Territory		Last Revised/Filed				Can be written					
		Declarations Page	Underwriting Rules	TPL Rates	Physical Damage Rates	FTC Coverages for "Non Fleet" Commercial Vehicles	Single Rated Vehicles/ Garage	Fleets of 5 or more Commercial Vehicles			
Alberta	Private Passenger	October 2004	September 2003	November 2005	November 2005	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	October 2004	March 2001	June 2001	N/R	N/A	Yes	Yes			
	Commercial (51-61)	October 2004	March 2001	June 2001	N/R	Yes	Yes	Yes			
	Commercial (99)	October 2004	March 2001	June 2001	N/R	Yes	Yes	Yes			
	Miscellaneous										
	Antique/Classic vehicles	October 2004	November 2001	November 2001	November 2001	N/A	Yes	N/A			
	ATV	October 2004	November 2001	November 2001	November 2001	N/A	Yes	N/A			
	Snowmobile	October 2004	November 2001	November 2001	November 2001	N/A	Yes	N/A			
	Motorcycles/Mopeds	October 2004	November 2001	November 2001	November 2001	N/A	Yes	N/A			
	Motorhomes	October 2004	N/F	N/F	N/F	N/A	No	N/A			
	Trailers	October 2004	November 2001	November 2001	November 2001	N/A	Yes	N/A			
Garage	N/F	N/R	N/R	N/R	N/A	No	N/A				
Public Vehicles	October 2004	N/F	N/F	N/R	N/A	No	Yes				
British Columbia	Private Passenger	September 2001	N/R	January 2001	January 2001	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	September 2001	N/R	N/F	N/F	N/A	No	Yes			
	Commercial (51-61)	September 2001	N/R	N/F	N/F	No	No	Yes			
	Commercial (99)	September 2001	N/R	N/F	N/F	No	No	Yes			
	Miscellaneous										
	Antique/Classic vehicles	September 2001	N/R	N/F	N/F	N/A	No	N/A			
	ATV	September 2001	N/R	N/F	N/F	N/A	No	N/A			
	Snowmobile	September 2001	N/R	N/F	N/F	N/A	No	N/A			
	Motorcycles/Mopeds	September 2001	N/R	N/F	N/F	N/A	No	N/A			
	Motorhomes	September 2001	N/R	N/F	N/F	N/A	No	N/A			
	Trailers	September 2001	N/R	N/F	N/F	N/A	No	N/A			
Garage	N/F	N/R	N/R	N/R	N/A	No	N/A				
Public Vehicles	September 2001	N/R	N/F	N/F	N/A	No	Yes				

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		Legend		E		Exempt from filing rates				APPENDIX 1	
				N/A		Not Applicable					
Province/Territory		Last Revised/Filed				Can be written					
		Declarations Page	Underwriting Rules	TPL Rates	Physical Damage Rates	FTC Coverages for "Non Fleet" Commercial Vehicles	Single Rated Vehicles/ Garage	Fleets of 5 or more Commercial Vehicles			
Manitoba	Private Passenger	N/F	N/R	N/R	N/R	N/A	No	N/A			
	Commercial (excl. 51, 61, 99)	N/F	N/R	N/R	N/R	N/A	No	No			
	Commercial (51-61)	N/F	N/R	N/R	N/R	No	No	No			
	Commercial (99)	N/F	N/R	N/R	N/R	No	No	No			
	Miscellaneous										
	Antique/Classic vehicles	N/F	N/R	N/R	N/R	N/A	No	N/A			
	ATV	N/F	N/R	N/R	N/R	N/A	No	N/A			
	Snowmobile	N/F	N/R	N/R	N/R	N/A	No	N/A			
	Motorcycles/Mopeds	N/F	N/R	N/R	N/R	N/A	No	N/A			
	Motorhomes	N/F	N/R	N/R	N/R	N/A	No	N/A			
	Trailers	N/F	N/R	N/R	N/R	N/A	No	N/A			
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A			
Public Vehicles	N/F	N/R	N/R	N/R	N/A	No	No				
New Brunswick	Private Passenger	January 2005	January 2005	January 2006	January 2006	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	January 2005	January 2006	January 2006	January 2006	N/A	Yes	Yes			
	Commercial (51-61)	January 2005	January 2006	January 2006	January 2006	Yes	Yes	Yes			
	Commercial (99)	January 2005	January 2006	January 2006	January 2006	Yes	Yes	Yes			
	Miscellaneous										
	Antique/Classic vehicles	January 2005	N/R	N/F	N/F	N/A	No	N/A			
	ATV	January 2005	January 2006	January 2006	January 2006	N/A	Yes	N/A			
	Snowmobile	January 2005	January 2006	January 2006	January 2006	N/A	Yes	N/A			
	Motorcycles	January 2005	January 2006	January 2006	January 2006	N/A	Yes	N/A			
	Motorhomes	January 2005	January 2006	January 2006	January 2006	N/A	Yes	N/A			
	Trailers	January 2005	January 2006	January 2006	January 2006	N/A	Yes	N/A			
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A			
Public Vehicles	January 2005	N/F	N/F	N/F	N/A	No	Yes				

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		Legend		E		Exempt from filing rates				APPENDIX 1	
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Province/Territory		Last Revised/Filed				Can be written					
		Declarations Page	Underwriting Rules	TPL Rates	Physical Damage Rates	FTC Coverages for "Non Fleet" Commercial Vehicles	Single Rated Vehicles/ Garage	Fleets of 5 or more Commercial Vehicles			
Newfoundland	Private Passenger	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	July 1999	August 2005	August 2005	August 2005	N/A	Yes	Yes			
	Commercial (51-61)	July 1999	August 2005	August 2005	August 2005	Yes	Yes	Yes			
	Commercial (99)	July 1999	August 2005	August 2005	August 2005	Yes	Yes	Yes			
	Miscellaneous										
	Antique/Classic vehicles	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	ATV	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	Snowmobile	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	Motorcycles	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	Motorhomes	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	Trailers	July 1999	August 2005	August 2005	August 2005	N/A	Yes	N/A			
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A			
Public Vehicles	July 1999	N/F	N/F	N/F	N/A	No	No				
Nova Scotia	Private Passenger	July 1999	November 2004	July 2005	July 2005	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	July 1999	November 2004	July 2005	July 2005	N/A	Yes	Yes			
	Commercial (51-61)	July 1999	E	E	E	Yes	Yes	Yes			
	Commercial (99)	July 1999	E	E	E	Yes	Yes	Yes			
	Miscellaneous										
	Antique/Classic vehicles	July 1999	N/F	N/F	N/F	N/A	No	N/A			
	ATV	July 1999	N/F	N/F	N/F	N/A	No	N/A			
	Snowmobile	July 1999	N/F	N/F	N/F	N/A	No	N/A			
	Motorcycles	July 1999	N/F	N/F	N/F	N/A	No	N/A			
	Motorhomes	July 1999	February 2000	February 2000	February 2000	N/A	Yes	N/A			
	Trailers	July 1999	February 2000	February 2000	February 2000	N/A	Yes	N/A			
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A			
Public Vehicles	July 1999	N/F	N/F	N/F	N/A	No	Yes				

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		Legend		E		Exempt from filing rates				APPENDIX 1	
				N/A		Not Applicable					
Province/Territory				N/F		Not Filed					
				N/R		Filing not Required by regulator or legislation					
		P		Pending							
		Last Revised/Filed				Can be written					
		Declarations Page	Underwriting Rules	TPL Rates	Physical Damage Rates	FTC Coverages for "Non Fleet" Commercial Vehicles	Single Rated Vehicles/ Garage	Fleets of 5 or more Commercial Vehicles			
North West Territories	Private Passenger	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	July 1999	N/R	N/R	N/R	N/A	Yes	Yes			
	Commercial (51-61)	July 1999	N/R	N/R	N/R	Yes	Yes	Yes			
	Commercial (99)	July 1999	N/R	N/R	N/R	Yes	Yes	Yes			
	Miscellaneous										
	Antique/Classic vehicles	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	ATV	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Snowmobile	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Motorcycles/Mopeds	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Motorhomes	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Trailers	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A			
Public Vehicles	July 1999	N/R	N/R	N/R	N/A	Yes	Yes	Yes			
Nunavut	Private Passenger	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Commercial (excl. 51, 61, 99)	July 1999	N/R	N/R	N/R	N/A	Yes	Yes			
	Commercial (51-61)	July 1999	N/R	N/R	N/R	Yes	Yes	Yes			
	Commercial (99)	July 1999	N/R	N/R	N/R	Yes	Yes	Yes			
	Miscellaneous										
	Antique/Classic vehicles	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	ATV	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Snowmobile	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Motorcycles/Mopeds	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Motorhomes	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Trailers	July 1999	N/R	N/R	N/R	N/A	Yes	N/A			
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A			
Public Vehicles	July 1999	N/R	N/R	N/R	N/A	Yes	Yes	Yes			

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		Legend				APPENDIX 1		
						August 2006		
Province/Territory		Last Revised/Filed				Can be written		
		Declarations Page	Underwriting Rules	TPL Rates	Physical Damage Rates	FTC Coverages for "Non Fleet" Commercial Vehicles	Single Rated Vehicles/ Garage	Fleets of 5 or more Commercial Vehicles
Ontario	Private Passenger	June 2003	July 2002	July 2005	July 2005	N/A	Yes	N/A
	Commercial (excl. 51, 61, 99)	June 2003	July 2002	August 2004	August 2004	N/A	Yes	Yes
	Commercial (51-61)	June 2003	N/F	N/F	N/F	No	No	Yes
	Commercial (99)	June 2003	N/F	N/F	N/F	No	No	Yes
	Miscellaneous							
	Antique/Classic vehicles	June 2003	July 2002	July 2002	July 2002	N/A	Yes	N/A
	ATV	June 2003	July 2002	July 2002	July 2002	N/A	Yes	N/A
	Snowmobile	June 2003	July 2002	July 2002	July 2002	N/A	Yes	N/A
	Motorcycles	June 2003	July 2002	July 2002	July 2002	N/A	Yes	N/A
	Motorhomes	June 2003	July 2002	July 2002	July 2002	N/A	Yes	N/A
	Trailers	June 2003	July 2002	July 2002	July 2002	N/A	Yes	N/A
	Taxi Programme	June 2003	July 2002	September 2001	September 2001	N/A	Yes	Yes
	Driving School Programme	June 2003	July 2002	September 2001	September 2001	N/A	Yes	N/A
	Logging Programme	June 2003	July 2002	May 2001	May 2001	N/A	Yes	Yes
	Garage	June 2003	N/R	N/R	N/R	N/A	Yes	N/A
Public Vehicles	June 2003	N/F	N/F	N/F	N/A	No	No	
Prince Edward Island	Private Passenger	July 1999	N/F	N/F	N/F	N/A	No	N/A
	Commercial (excl. 51, 61, 99)	July 1999	N/F	N/F	N/F	N/A	No	Yes
	Commercial (51-61)	July 1999	N/F	N/F	N/F	No	No	Yes
	Commercial (99)	July 1999	N/F	N/F	N/F	No	No	Yes
	Miscellaneous							
	Antique/Classic vehicles	July 1999	N/F	N/F	N/F	N/A	No	N/A
	ATV	July 1999	N/F	N/F	N/F	N/A	No	N/A
	Snowmobile	July 1999	N/F	N/F	N/F	N/A	No	N/A
	Motorcycles	July 1999	N/F	N/F	N/F	N/A	No	N/A
	Motorhomes	July 1999	N/F	N/F	N/F	N/A	No	N/A
	Trailers	July 1999	N/F	N/F	N/F	N/A	No	N/A
	Garage	N/F	N/R	N/R	N/R	N/A	No	N/A
	Public Vehicles	July 1999	N/F	N/F	N/F	N/A	No	Yes

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		Legend				APPENDIX 1		
						August 2006		
Province/Territory		Last Revised/Filed				Can be written		
		Declarations Page	Underwriting Rules	TPL Rates	Physical Damage Rates	FTC Coverages for "Non Fleet" Commercial Vehicles	Single Rated Vehicles/ Garage	Fleets of 5 or more Commercial Vehicles
Quebec	Private Passenger	March 2001	November 2003	November 2003	November 2003	N/A	Yes	N/A
	Commercial (excl. 51, 61, 99)	March 2001	March 2001	March 2001	March 2001	N/A	Yes	Yes
	Commercial (51-61)	March 2001	N/F	N/F	N/F	No	No	Yes
	Commercial (99)	March 2001	N/F	N/F	N/F	No	No	Yes
	Miscellaneous							
	Antique/Classic vehicles	March 2001	N/F	N/F	N/F	N/A	No	N/A
	ATV	March 2001	December 1995	December 1995	December 1995	N/A	Yes	N/A
	Snowmobile	March 2001	December 1995	December 1995	December 1995	N/A	Yes	N/A
	Motorcycles	March 2001	December 1995	December 1995	December 1995	N/A	Yes	N/A
	Motorhomes	March 2001	December 1995	December 1995	December 1995	N/A	Yes	N/A
	Trailers	March 2001	December 1995	December 1995	December 1995	N/A	Yes	N/A
	Garage	August 1991	N/R	N/R	N/R	N/A	Yes	N/A
Public Vehicles	March 2001	N/F	N/F	N/F	N/A	No	Yes	
Saskatchewan	Private Passenger	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	Commercial (excl. 51, 61, 99)	May 2005*	N/R	N/R	N/R	N/A	Yes	Yes
	Commercial (51-61)	May 2005*	N/R	N/R	N/R	Yes	Yes	Yes
	Commercial (99)	May 2005*	N/R	N/R	N/R	Yes	Yes	Yes
	Miscellaneous							
	Antique/Classic vehicles	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	ATV	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	Snowmobile	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	Motorcycles/Mopeds	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	Motorhomes	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	Trailers	May 2005*	N/R	N/R	N/R	N/A	Yes	N/A
	Garage	January 2005*	N/R	N/R	N/R	N/A	Yes	N/A
Public Vehicles	May 2005*	N/R	N/R	N/R	N/A	Yes	Yes	
* Waiting on printer to produce certificate								

