

Notice relating to insurers' obligation to file automobile insurance rate manual with the *Autorité des marchés financiers*

The *Autorité des marchés financiers* (the “Authority” or the “AMF”) reminds insurers authorized to transact automobile insurance business in Québec about certain obligations with respect to their automobile insurance rate manual.

The *Automobile Insurance Act* (R.S.Q., c. A-25) contains a number of requirements regarding the rate manual's contents and its filing with the AMF. Under *An Act respecting insurance* (R.S.Q., c. A-32), insurers are required to adhere to sound and prudent management practices and sound commercial practices.

Filing of automobile insurance rate manual

Section 180 of the *Automobile Insurance Act* stipulates that every authorized insurer must file one copy of its rate manual with the AMF immediately upon being compiled and, thereafter, within 10 days of any amendment. Under this provision, the rate manual is a manual that is made up of the documents of an authorized insurer in which its rules of classification of risks and the premiums applicable to each are identified and defined.

Insurers should consult the document entitled “Contents of a Complete Manual,” which is available on the AMF website at www.lautorite.qc.ca.

In addition, the AMF asks that each authorized insurer complete, in as much detail as possible, and sign the “Summary of Filed Amendments” form. This form must accompany each amendment filed with the AMF. The updated version of the form is available on the AMF website.

Particular agreements between insurers and exclusive agents or damage insurance firms

Authorized insurers that have particular agreements with exclusive agents or damage insurance firms, or both, must include in their rate manual any rules regarding risk classification and premiums that differ from those filed with the AMF. A complete rate manual must be filed with the AMF.

Breach of obligations

Where an authorized insurer fails to comply with the obligations set out in this Notice, the AMF may take the necessary measures to ensure compliance.

Accordingly, the AMF may institute penal proceedings against the insurer pursuant to the *Automobile Insurance Act* and seek the penalty set out under section 190 of the Act.

In addition, since the classification of risks and the setting of premiums are closely linked to insurers' sound and prudent management practices and sound commercial practices, in the event of a discrepancy between the contents of the rate manual and the insurer's practices, the AMF may, pursuant to sections 325.1 and 405.1 of *An Act respecting insurance*, issue an order or impose an administrative sanction against the insurer.

As well, the AMF may, in accordance with subparagraphs *i* and *k* of the first paragraph of section 358 of *An Act respecting insurance*, suspend or cancel an insurer's licence where the insurer contravenes any Act, in particular, the *Automobile Insurance Act*, or contravenes an order of the AMF issued under *An Act respecting insurance*.

Further information

Further information is available from:

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