



**Underwriting Information Plan (UIP)
Procedures Manual**

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Introduction

The Facility Association (FA) is an entity continued under the provisions of the Compulsory Automobile Insurance Act of Ontario and recognized by legislation in other jurisdictions to ensure that automobile insurance is available to all owners and licensed drivers of motor vehicles where such owners or drivers are unable to obtain automobile insurance through the voluntary insurance market.

FA is an unincorporated non-profit organization of all automobile Members serving the following provinces and territories: Alberta, New Brunswick, Newfoundland & Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, and Yukon.

Every Member licensed to write automobile liability insurance in any jurisdiction FA serves is required to become a member and remain a member of the Association. All members of the FA must abide by the Plan of Operation (<http://www.facilityassociation.com/planoperation.asp>).

Mission

The Facility Association's mission is to administer automobile insurance residual market mechanisms, enhance market stability, and guarantee the availability of automobile insurance to those eligible to obtain it. We strive to keep the market share of the residual markets as small as possible, so consumers may benefit from the competitive marketplace to the greatest extent possible.

Vision

Facility Association's vision is to be recognized and relied upon as a highly efficient and effective administrator of automobile insurance residual markets, whose objective opinion on residual markets and related issues is respected and sought by stakeholders.

Preamble

Effective December 1, 2017, the Facility Association (FA) was directed to provide and administer an Underwriting Information Plan (UIP). The Facility Association has elected to administer UIP by incorporating many of the processes of the previously existing Underwriting Information Tracking System (UITS). The purpose of the UIP is the same as the previous UITS: “in order to enable the provision to the members of appropriate information to enable informed risk identification and rating.”

Briefly, member insurers are required to provide UIP Data to the service provider designated by Facility Association (currently Insurance Bureau of Canada), who will then forward it to a designated entity (currently CGI), who will make the resulting information distilled from data available to member companies to fulfill the purpose of the UIP (please see above).

This Procedures Manual is authorized by the Plan of Operation and compliance with the Procedures Manual should be considered by Facility Association member companies to be a matter of legal compliance.

With respect to the UIP and the Procedures Manual, the Facility Association Plan of Operation specifically states the following in Article XIV:

2) Each member is required to participate in the UIP and to report to or in accordance with the direction of the Association, in each jurisdiction in which such member operates, in the manner and at the time directed, all information directed to be provided as set out in the Procedures Manual of the UIP.

3) Subject to any applicable legislative requirements the Board is authorized to create a Procedures Manual for the UIP, such Procedures Manual to provide for all aspects of the operation of the UIP and, in particular but without limiting the generality of the foregoing:

- a) The information required to be reported;
- b) The reporting format for such information;
- c) The timing for reporting;
- d) The method of transmission of such information;
- e) The right and means available to the Association to verify the information;
- f) The use to which the information may be put and any restrictions applicable;
- g) The requirements for security and privacy in connection with the information;
- h) The determination and method of sharing of the cost of operation of UIP;
- i) The rights of enforcement by the Association including deficiency fees and penalties.”

In the transition from UITS to the UIP every attempt has been made to minimize the disruption to member company operations. As such, the procedures which have been followed with respect to UITS are now to be followed with respect to UIP and may be found in other manuals and documents. Those other manuals and documents are hereby being incorporated into this Procedures Manual by reference.

Procedures

UIP data must be reported by FA members to the Service Provider/IBC. Member data reporting of UIP data must be done in accordance with the procedures provided in the following documents:

1. Insurance Bureau of Canada (IBC) Data Submission Requirements Manual
2. GISA Automobile Statistical Data Reporting Requirements [Automobile Statistical Manual including Underwriting Information Plan]
3. GISA Early Warning System: Automobile Statistical Plan [Anomaly Rule Business Descriptions]
4. GISA Automobile Statistical Data Reporting Requirements – Edit Rules Documentation
5. GISA Deficiency Fees Manual

Following the procedures in the above will satisfy Plan of Operation requirements XIV (3) a, b, c, d, i. A brief summary of the role of each document is as follows:

1. Insurance Bureau of Canada (IBC) Data Submission Requirements Manual

This document specifies the standards for reporting all statistical data to IBC. A copy of the IBC Data Submission Requirements Manual is available on the IBC web page at:

<http://www.ibc.ca/on/resources/industry-resources/data-management/reference-materials>.

Statistical Plan and UIP data submissions are subject to late fees where FA Members are late reporting or errors. Adherence to data submission requirements ensure that member data files are processed efficiently. The deficiency fee charges are outlined in the *GISA Deficiency Fees Manual*. The manual is available on the GISA's web page at:

https://www.gisa.ca/Publications_Bulletins.

2. GISA Automobile Statistical Data Reporting Requirements [Automobile Statistical Manual Including the FA UIP]

The GISA Automobile Statistical Plan manuals include the additional Underwriting Information Plan requirements mandated through the Facility Association's Plan of Operation. Manuals are made available on the GISA web page at: <https://www.gisa.ca/> as well as the IBC web page at:

<http://www.ibc.ca/on/resources/industry-resources/data-management/stat-plans>.

3. GISA Early Warning System: Automobile Statistical Plan [Anomaly Rule Business Descriptions]

Anomaly Rules are specific business conditions which have been identified as normal conditions expected in the data reported under the GISA Automobile Statistical Plan. The anomaly rules are executed on a regular scheduled basis to test the reasonability of the reported data. The issues identified by the anomaly rules trigger notification to a Data analyst. If the Data Analyst determines that the anomaly constitutes a data reporting issue, they identify it as such and collaborate with the applicable insurer towards resolving the issue. The manual of the GISA Early Warning System is available on the IBC web page at

<http://www.ibc.ca/on/resources/industry-resources/data-management/early-warning-system>.

4. GISA Automobile Statistical Data Reporting Requirements [Edit Rules Documentation]

The “Edit Rules Documentation” is an integral component of the larger body of documentation about statistical data reported to IBC under the Automobile Statistical Plan, under special Facility Association requirements and under the additional requirements of the Underwriting Information Plan (“UIP”). The “Edit Rules Documentation” is a description of all of the edits performed on this data. The purposes of this documentation are:

1. To assist insurers with error correction: Users can look up an error code to determine which edit generated the error. On pages describing errors related to Validity edits, users are able to link directly to the relevant Automobile Statistical Plan field codes.
2. To assist insurers with the design and development of system processes related to the reporting of statistical data: Users can consult the cross-reference tables to view the Validity edit/error code and Consistency edits/error codes associated with a particular field, as well as a list of other fields affected by the Consistency edits.
3. To provide specifications regarding edit rules for the design and development of IBC’s processes for editing statistical data: The “Edit Rules Documentation” describes all of IBC’s processes for editing data reported under the Automobile Statistical Plan, including Underwriting Information Plan data. The Automobile Statistical Plan Data Reporting Requirements Edit Rule Documentation manual is available on the IBC web page at <http://www.ibc.ca/on/resources/industry-resources/data-management/stat-plans>.

5. GISA Deficiency Fee Manual

GISA collects financial information from automobile insurers. Whereas high quality levels are achieved on an annual basis at the *transactional* level, the *initial* reporting quality is lower. Further, at the *aggregate* level, company data is still frequently excluded from exhibits due to unusual reporting anomalies.

Meaningful data requires full participation in data submission – completeness, quality and timeliness. Late submissions and submissions of poor data quality create processing delays that compromise the timeliness and hence, value of the data.

This deficiency fee system is designed to measure various aspects of data quality and to encourage industry support in submitting high quality data.

The GISA Deficiency Fee Manual is posted on the GISA website at https://www.gisa.ca/Publications_Bulletins. The manual has references for the deficiency fee charges in detail as well as the administrative review process as it relates to Escalation and Disputes.

Additional Requirements:

In addition to the above, members must:

- Report to the Service Provider in accordance with the requirements set out in the UIP Procedures Manual;
- Cooperate with the Service Provider to resolve any data quality issues in a timely fashion;
- Examine edit exceptions identified by the Service Provider and remediate in a timely manner in accordance with correcting processes as established by the Service Provider.
- Send data to the Service Provider monthly (or daily, where required). Monthly submissions shall include the transactions (writings, cancellations, losses and salvage) and received by the Service Provider *within 15 days* after the end of the month in which the transaction was entered into member records.

Use of Underwriting Information Plan (UIP) Data

The Facility Association directs the designated entity to provide and administer an underwriting information plan (“UIP”) in order to enable the provision to FA members of appropriate information to enable informed risk identification and rating.

Security and Privacy

To ensure the privacy and security of data, members submitting UIP data must use one of 3 secure available transmission mechanisms provided by the Facility Association’s Service Provider specifically for the collection of data. The 3 mechanisms are the following:

- Secure File Transfer Protocol (FTP)
- Web Services Data Exchange
- Interactive File Transfer (manual process)

In order to implement web services, the requesting FA member must complete a user ID Request Form and a security statement signed by the designated Statistical Submission Coordinator. Both the ID Request Form and security statement can be obtained from the Service Provider (IBC) Member Services department by e-mailing memberservices@ibc.ca.

Details of the process and the secure transmissions are made available on in Data Submission Requirements Manual on IBC web page at: <http://www.ibc.ca/on/resources/industry-resources/data-management/stat-plans>.

Cost of Operating the Underwriting Information Plan (UIP)

An assessment of the UIP operating costs is performed by the Service Provider on behalf of Facility Association annually. Following determination, the annual operating cost is shared among the FA membership based on total written premium.

Right of Audit

The Facility Association retains the Right of Audit in accordance with the authority granted in the Plan of Operation (**'The Plan'**). In accordance with the 'Plan', Articles of Association, Article XVII states that: 'The Association may audit the records of any member relating to the subject matter of the Plan of Operation and may establish what policies, records, books of account, documents and related material it deems necessary to carry out its functions. Such material shall be provided by the members in the form and with the frequency reasonably required by the Association'. As well, Article VII Section 7 states that: "...the Board shall have the express authority to: (m) Monitor and where deemed appropriate authorize the auditing of members to ensure compliance with security and privacy requirements in connection with the UIP."