

Policy and Procedure

Take All Comers Rule – Personal Lines

The Insurance Act has consumer protection features supported by specific legal requirements. It seeks to ensure all consumers can buy or renew an auto insurance policy at the lowest approved terms and price from the insurance market for each consumer's circumstance. When taken together, these consumer protection features comprise Ontario's Take-All-Comers rule.

When consumers shop for auto insurance, insurers must offer the lowest rate for each consumer's circumstance. Before an insurance policy expires, insurers are required to provide their customer a renewal if the customer continues to meet the customer's current insurer's eligibility rules. If the insurance company's eligibility rules or the customer's circumstances have changed, the broker must offer an alternative quote from a market that will accommodate that customer's circumstance. This will include the Facility Association, where applicable. Insurers must accept all of the auto insurance business from consumers who meet their approved underwriting rules.

Specific consumer protections of the Take-All-Comers rule include:

- ***Insurers are required to offer the lowest rate available for each consumer's circumstance.***
- ***Insurers are required to offer their customers a renewal if that customer continues to meet that insurer's eligibility rules.***
- ***Insurers must accept all auto insurance business from consumers that meets their approved rules***

********A delay in providing a quote is effectively declining coverage and can only be done on FSRA-approved declination grounds********

As per RIBO, Brokers are required to now track auto business quotes and report any violations of the TAC rules by brokers and insurers. Such reporting helps inform policy and future guidance development.

The following is a suggested process within a BMS that could be followed to document your file and prepare for a RIBO audit adequately.

QUOTING A PROSPECT

Most brokers' processes vary, so the following should be amended to complement your office practices and procedures. Due to differing BMS processes, the following may need to be amended to suit your workflows and how you use your particular BMS.

You can add a prospective client's requested quotes into your BMS to document quote information or add notes directly to Applied Rater or your alternative rating engine software.

Please let the client know (whether in person or online) that before the quote is given:

- ***How many insurance companies you can obtain quotes from.***
- ***What levels of insurance you will be quoting.***
- ***Your advice concerning the minimum coverage you recommend as part of the quoting process.***
- ***You must also refer your client to the associated disclosure documents for your brokerage.***

If the client asks whether cheaper options are available, please inform the client what options are available, what the coverage changes would be, and why you are not recommending these options.

If the client asks for a different quote(s), you must give it to them and add that to your notes.

When quoting:

1. Provide a sufficient number of quotes with company comparisons to allow the client to make an informed choice and understand why the broker recommends a specific quote or company.
2. Quotes need to be given in a timely fashion.
3. Notes and any abeyances noted in the file following a quote are to be kept.
4. Ensure that the cheapest option for the consumer's circumstance is included in the quotes presented.

As per RIBO's bulletin on this subject, all quotations for new prospective clients should be kept and made available for audit up to 12 months after they were prepared.

QUOTING A CLIENT (RENEWAL)

Quoting needs to occur when either:

- The insured requests a quote; or
- If the renewal is due to be re-quoted by your brokerage.

All obtained quotes must be attached to the client file with any detailed abeyance if required. These quotes can either be a download of the PDF created by the rating tool used, or if a download or PDF is not available, copies of screenshots of all of the quotes obtained.

Your notes should include details on why you recommend the new renewal(s) quote. (If the new recommendation is from a different company, you may need to compare it with the existing policy.)

All renewal quotes need to be given in a timely fashion.

NOTES/ABEYANCE MUST CONTAIN THE FOLLOWING:

1. Confirmation of the consumer's risk profile/assessment and needs
 - a. Detail the client coverage requirements (e.g., accident benefits checklist, and how this was discussed with the client).
2. Confirmation that all quotes were received from your available markets, and if not, why.

3. Which company quotes were presented to the client (ensuring that one of the quotes was the lowest price available, applicable to that client's circumstance).
4. Method by which the quote was sent? Email/phone/visit to the office with email address/phone number and date are to be included.
5. Broker's recommendation on the quote chosen and why. If the lowest quote is not the recommendation, detailed notes on why this recommendation was made are required.
6. If the customer requested the lowest price available outside of your initial quotes presented, this lowest price quote should be included along with the recommended comparable quotes, together with an explanation as to why you are making your specific recommendation.
7. If an issue with any company has affected your recommendation for any reason other than a filed rule, details must be written in the notes (e.g., claims management practices, service issues with the insurer, etc.)
8. 8. All obtained quotes should be added to the customer's file.

If you believe that there is an issue with a company(ies) not providing a quote that does not fall in line with their filed rules, or if you do not know the filed rules, please contact your Principal Broker or your direct Manager/Supervisor, as the case may be, with the underwriting page and the premium summary for further direction. The brokerage should document all exceptions and inform the appropriate insurance company's representative. Non-compliance with the Take All Commers rule should be communicated to the consumer and reported to RIBO as per RIBO's stated process. <https://www.ribo.com/tac-broker/>