



# Deficiency Fees Manual

**September 2015**

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## INTRODUCTION

### General Information

The General Insurance Statistical Agency (“GISA”) was established to carry out the activities of a statistical agent on behalf of Alberta, New Brunswick, Newfoundland & Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and the Yukon. GISA is a federally incorporated, not-for-profit corporation governed by a Board of Directors, with representation from the nine participating insurance regulatory authorities, the property and casualty insurance industry and the public.

On April 1, 2006, GISA was appointed as a statistical agent by the participating insurance regulatory authorities to improve the governance, accountability and oversight, as well as the reliability and objectivity, of insurance statistical data in Member jurisdictions.

As the statistical agent, GISA:

- Promotes the timeliness of statistical data collection, analysis and reporting mechanisms;
- Acts on behalf of the participating insurance regulators to coordinate and harmonize the statistical data filing requirements for insurers regarding the experience of their business in such jurisdictions; and
- Promotes the quality and value of statistical data generated by licensed insurers.

GISA has entered into a service agreement with Insurance Bureau of Canada (the “Service Provider”) under which the Service Provider provides statistical plan services under specified terms and conditions including data collection, quality assurance, compilation and reporting services.

Further information regarding GISA is available through its website at <https://www.gisa.ca>

## Overview

Approximately 142 insurance companies provide statistical plan data to GISA each year, amounting to over 65 million transactions annually. Data, reported on a daily, monthly, quarterly and annual basis, is analyzed and published for use by Regulators, the insurance industry and other stakeholders.

The mandatory statistical plans are:

- [Automobile Statistical Plan \(ASP\)](#) – insurers operating in Alberta, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Yukon, Nunavut and the Northwest Territories must report statistics for automobile insurance under this statistical plan.
- [Ontario Commercial Liability Statistical Plan \(CLSP\)](#) – insurers operating in Ontario must report statistics for commercial liability insurance.

In addition, GISA has started collecting financial information from automobile insurers, beginning with the 2012 automobile insurance experience.

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.

This reference manual describes the deficiency fee charges in detail.

## Escalations and Disputes

Any disputes or escalations regarding deficiency fees will follow the approved GISA *Administrative Review Process* posted on GISA's website.

## Administrative Review Process

Deficiency fee disputes and escalations will be addressed in accordance with guidelines stipulated in the *Administrative Review for Assessments and Deficiency Fees Policy and Process* posted on GISA's website.

## SUBMISSION TIMELINES

The following table outlines the data submission schedule for all statistical plans.

### *Submission Due Date Schedule*

Statistical Plan	Kind	Submission Frequency	Due Date
<b>Automobile (ASP)</b>	Premiums (Ontario)	Daily	15 <sup>th</sup> of the month following the Entry Date
	Premiums (other than Ontario)	Monthly	
	Paid Losses		
	Outstanding Losses (Reserves)	Quarterly (March, June, September, December)	
<b>Facility Automobile (FA-ASP)</b>	Premiums (Ontario)	Daily	15 <sup>th</sup> of the month following the Entry Date
	Premiums (other than Ontario)	Monthly	
	Paid Losses		
	Outstanding Losses (Reserves)	Monthly*	
<b>Commercial Liability (CLSP)</b>	Premiums	Monthly	End of the month following the Entry Date
	Paid Losses		
	Outstanding Losses (Reserves)	Yearly (December only)	

*\* Late fees will only be assessed according the GISA mandated reporting schedule. Submissions for the Quarterly Outstanding Losses received subsequent to the due date are applicable to this fee. Other reporting months, as mandated by Facility Association, will be exempted for FA Servicing Carriers only.*

## ERROR CORRECTION TIMELINES

Transactions containing errors must be corrected by the submission due date (as described in the table above) to avoid Outstanding Error Fees.

## DEFICIENCY FEES SYSTEM –RULES AND APPLICATION

### TIMELINESS – Initial Data Submissions, Adjustments and Resubmissions

#### Late Submission Fees

The Late Fee structure differentiates between:

- Initial late submissions
- Timely submissions followed by minor adjustments to original data submission; and
- Timely submissions followed by a resubmission to address data quality and/or data accuracy issues

#### ***Initial Data Submissions:***

Late initial data submissions – including confirmation of monthly balances - will incur fees on a monthly basis in accordance with rates in the following table.

#### *Late Fee Schedule*

# of Months Late	Fee
Month 1	\$100
Month 2	\$200
Month 3	\$300
Month 4	\$400
Month 5	\$500
Month 6	\$600
Month 7	\$700
Month 8	\$800
Month 9	\$900
Month 10	\$1,000
Month 11	\$1,100
Month 12+	\$1,200

**Minor Adjustments:**

For any changes made to the data during the newly defined Adjustment Phase (latter of the due date or the first confirmation date), the following rates will be applied based on the percentage that the adjusted data represents when compared to the last confirmed amount prior to the Adjustment Phase.

*Minor Adjustment Fee Schedule*

Adjusted Data %	Fee
0% < Adjusted Data < 5 %	\$250
5% <= Adjusted Data < 25 %	\$1,000
25% <= Adjusted Data	\$2,500

Changes made to the data during the Adjustment Phase include:

- Submissions\*\*
- Reversals\*\*
- Drops
- Amount adjustments through Error Correction

Common examples of adjustments resulting in dollar amount changes include but are not limited to:

- Changing of statistical territory
- Changing premium/loss/expense amounts
- Adding/deleting/modifying/moving premium/loss/expense amounts

*\*\*excludes those submissions and reversals that fall under the Resubmission category*

**Resubmission Fee:**

Resubmissions are defined as *“all reversals and subsequent submissions made during the Adjustment Phase of an invoice period that have similar totals within a predefined threshold”*.

- Rates will be applied on a monthly basis according to the new rate table.
- Timing is based on the number of months after the submission due date.



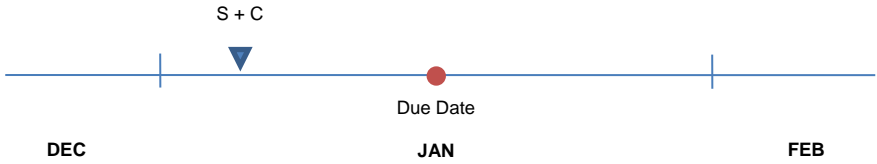
*Resubmission Fee Schedule*

<b>Resubmission Timing</b>	<b>Fee</b>
Month 1	\$50
Month 2	\$50
Month 3	\$50
Month 4	\$250
Month 5	\$250
Month 6	\$250
Month 7	\$500
Month 8	\$500
Month 9	\$500
Month 10	\$1,000
Month 11	\$1,000
Month 12+	\$1,000



## Calculating Fees related to Timeliness – Sample Scenarios

### Business Rules

#	Rule
1.	<p><b>Data must be submitted and confirmed (by end of day on due date) to avoid late fee charges. All zero amount monthly balances must be confirmed to avoid late fee charges.</b></p> <p><b>Example 1:</b>  <i>Company: XYZ</i>  <i>Entry Date: December 2012</i>  <i>Due Date: January 15, 2013</i>                      The data was submitted (S) and confirmed (C) before the due date – Late Fees are not charged.</p>  <p>The diagram shows a horizontal timeline from December to February. A blue triangle labeled 'S + C' is positioned in January, to the left of a red circle labeled 'Due Date' which is also in January. Vertical tick marks are present for the months of December, January, and February.</p>

2.

**Rate of Late Fee charge is based on a one month window subsequent to submission due date.**

**Example 1:**

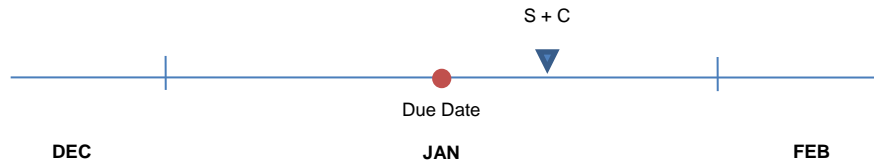
*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was submitted (S) and confirmed (C) after the due date, within the same Invoice Period.

January Invoice: LF = \$100 (one month late)



**Example 2:**

*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was submitted (S) and confirmed (C) after the due date, within one month of the due date.

January Invoice: LF = \$100 (one month late)

February Invoice: LF = \$0



**Example 3:**

*Company: XYZ*

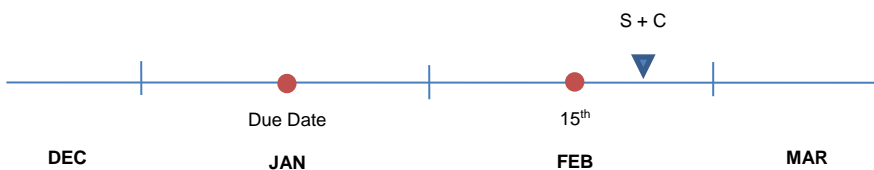
*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was submitted (S) and confirmed (C) after the due date, more than one month after the due date.

January Invoice: LF = \$100 (one month late)

February Invoice: LF = \$200 (two months late)



3.

**The Adjustment Phase commences subsequent to the latter of the due date or the first confirmation date.**

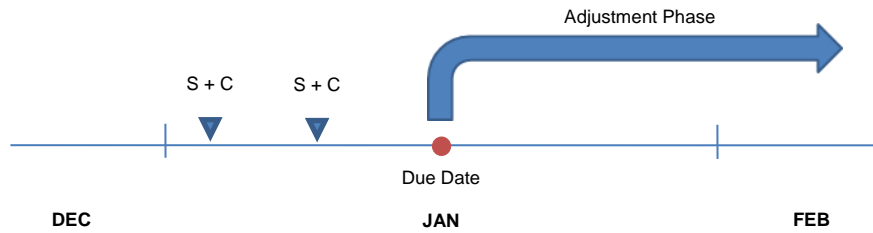
**Example 1:**

*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was submitted (S) and confirmed (C) by the due date. The Adjustment Phase begins with the due date.



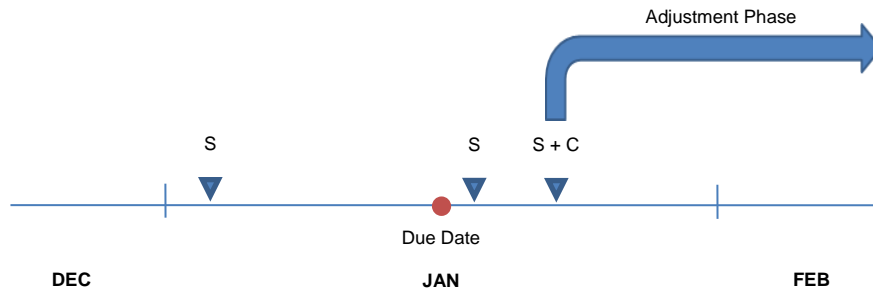
**Example 2:**

*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was first confirmed (C) after the due date. The Adjustment Phase begins with the first confirmation.



4.

**The Minor Adjustment/Resubmission Charges will be based on the last confirmed amount before the Adjustment Phase (see Rule 3 above).**

5.

**Any submission, drop, reversal, and amount adjustment in the Adjustment Phase will be considered in the Minor Adjustment calculation.**

**Example 1:**

*Company: XYZ*

*Entry Date: December 2012*

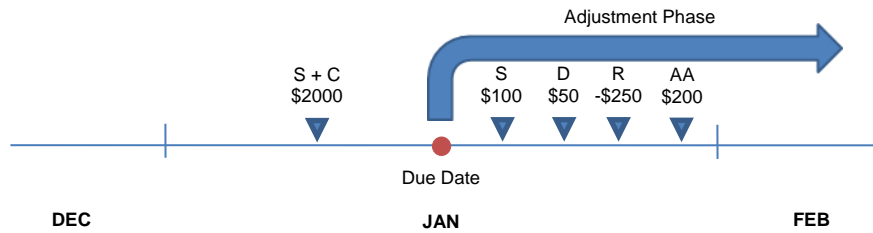
*Due Date: January 15, 2013*

There was a submission (S), a drop (D), a reversal (R) and an amount adjustment (AA) during the Adjustment Phase. The adjusted amount is calculated as a sum of absolute values. One Minor Adjustment Fee is charged.

Original Amount = \$2000

Adjusted Amount = \$100 + \$50 + \$250 + \$200 = \$600

January Invoice: MA = \$2500 (based on 30% of data adjusted)



NOTE: reversals and submissions that fall under Resubmission category (see Rule #6) are excluded from Minor Adjustment calculation.

6.

**Resubmission is defined as a replacement of originally submitted data. It consists of all reversals and all submissions from the Adjustment Phase of the Invoice Period. The reversals and submissions must have similar total amounts (within predefined variance).**

**Example 1:**

*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

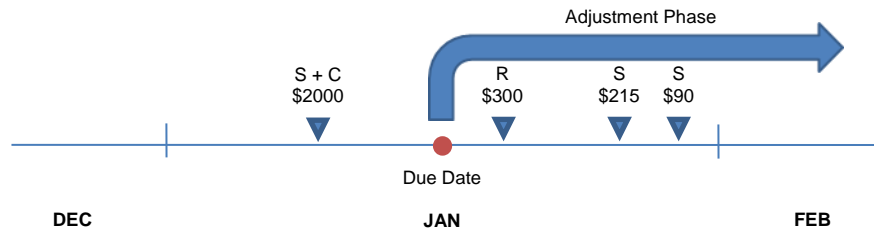
There was a reversal (R) and two submissions (S) during the Adjustment Phase of the Invoice Period. The total amounts are within acceptable variance. Resubmission Fee is charged.

Total reversals (Adjustment Phase) = -\$300

Total submissions (Adjustment Phase) = \$305

Variance =  $|\sum S - \sum R| / \sum R = |(305 - 300) / 300| = 1.67\%$

January Invoice: RS = \$50 (one month late)



7.

**Late Fees, Resubmission Fees and Minor Adjustment Fees can be charged in the same Invoice Period.**

**Example 1:**

*Company: XYZ*

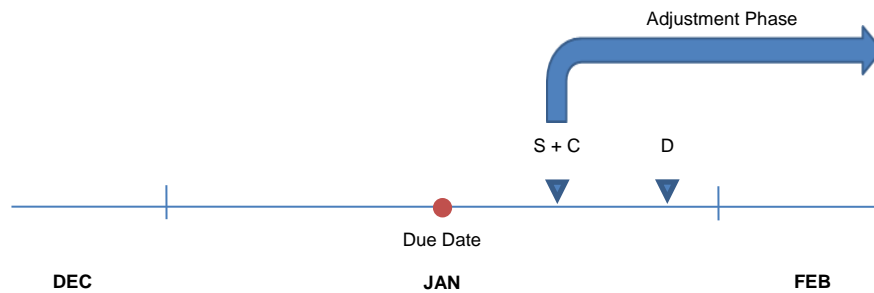
*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was first submitted (S) and confirmed (C) after the due date – Late Fee is charged. There was also an adjustment (D) in the Adjustment Phase – Minor Adjustment Fee is charged.

January Invoice: LF = \$100 (one month late)

January Invoice: MA = \$ (based on % of data adjusted)



**Example 2:**

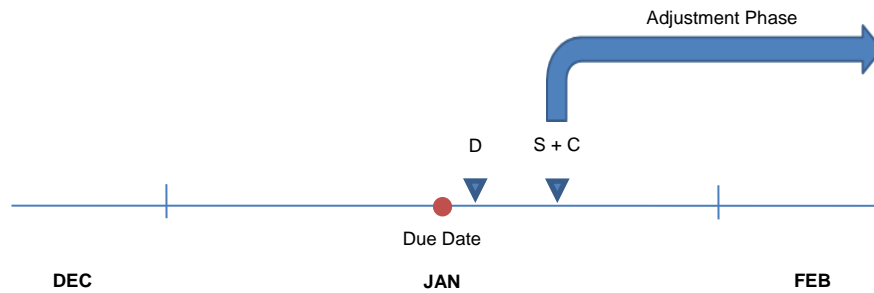
*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

The data was first confirmed (C) after the due date – Late Fee is charged. There were no adjustments in the Adjustment Phase – Minor Adjustment Fee is not charged.

January Invoice: LF = \$100 (one month late)



8.

**Late Fee is going to be applied if the data was OOT and not confirmed at the end of the Invoice Period.**

**Example 1:**

*Company: XYZ*

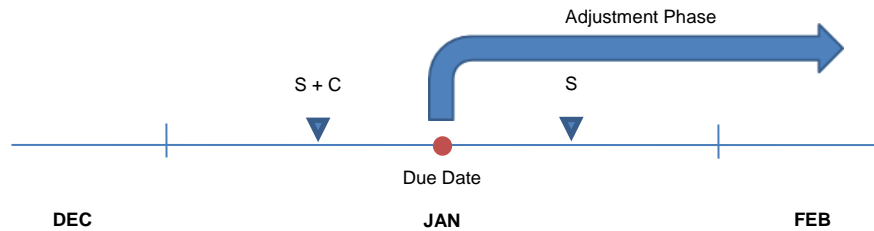
*Entry Date: December 2012*

*Due Date: January 15, 2013*

There was an adjustment (S) in the Adjustment Phase – Minor Adjustment Fee is charged. The data is OOT and not confirmed – Late Fee is charged.

January Invoice: LF = \$100 (one month late)

January Invoice: MA = \$ (based on % of data adjusted)



**Example 2:**

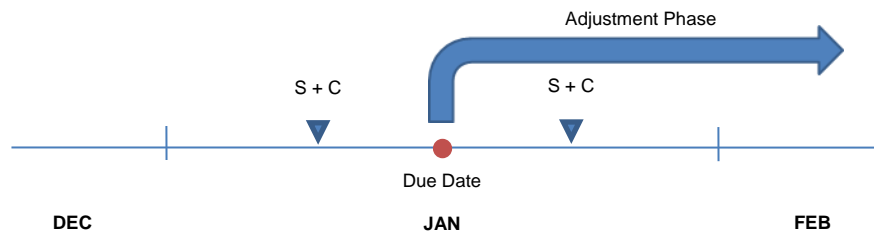
*Company: XYZ*

*Entry Date: December 2012*

*Due Date: January 15, 2013*

There was an adjustment (S) in the Adjustment Phase – Minor Adjustment Fee is charged. The data is confirmed – Late Fee is not charged.

January Invoice: MA = \$ (based on % of data adjusted)



9.

**Confirmation**

In rules #1 - #8 above, the confirmation (C) corresponds to the following OOT statuses:

- **In Tolerance** (blue), OR
- **Confirmed** (green)



10.	<p><b>Submission Date</b></p> <p>Submission date corresponds to the date when a submission was received.</p> <p>For submissions that were 'on hold', the submission date corresponds to the date when they were released ('accepted').</p> <p>For production submissions that were received through Test Analysis, the submission date corresponds to the date when they were changed to production.</p> <p>For production submissions that were received through Test Analysis, changed to production, and went on hold, the submission date corresponds to the date when they were released ('accepted').</p>
11.	<p><b>Submissions on Hold</b></p> <p>Submissions that are 'on hold', and not released ('accepted') are ignored in all late fee calculations (LF, RS and MA).</p>
12.	<p><b>Test Submissions</b></p> <p>Submissions that are received through Test Analysis and not changed to production are ignored in all late fee calculations (LF, RS and MA).</p>



## DATA QUALITY - Error Correction and Outstanding Error Correction Fees

### Error Correction Fee

This is a processing charge applied on a per transaction level for the correction of transactions containing errors. Rates are calculated based on the original Submission Due Date and the date the correction is completed – as per the table below.

### Outstanding Error Fee

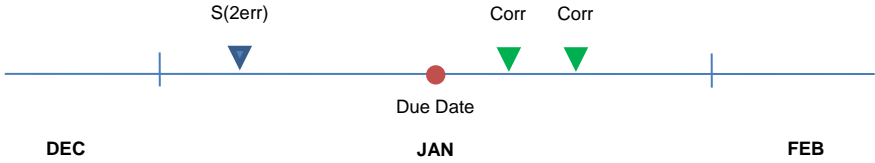
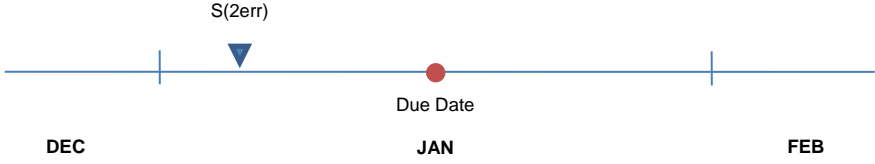
This fee is applied on a per transaction level for transactions containing errors past the submission due date. Rates are calculated based on the amount of time the transaction remains outstanding – as per the table below...

#### *Error Fee Schedule*

Timeline	Fee
Corrections made before or up to 30 days (inclusive) after the submission due date. Outstanding errors with age up to 30 days (inclusive) of the submission due date.	\$0.25
Corrections made between 31 and 90 days (inclusive) after the submission due date. Outstanding errors with age between 31 and 90 days (inclusive) of the submission due date.	\$0.50
Corrections made 91 days (inclusive) or more after the submission due date. Outstanding errors with age 91 days (inclusive) or more of the submission due date.	\$1.00

## Calculating Fees related to Data Quality – Sample Scenarios

### Business Rules

#	Rule
1.	<p><b>Error Correction Fee is charged for each transaction being corrected within the Invoice Period.</b></p> <p><b>Example 1:</b>  <i>Company: XYZ</i>  <i>Entry Date: December 2012</i>  <i>Submission Due Date: January 15, 2013</i></p> <p>The data was submitted (S) with two transactions that contain errors. Corrections were made on both transactions within the invoice period.</p> <p>January Invoice:  <math>2 \times \text{EC (rate = \\$0.25)} = \\$0.50</math></p> 
2.	<p><b>Outstanding Error Fee is charged for each transaction containing error(s) at the end of the Invoice Period.</b></p> <p><b>Example 1:</b>  <i>Company: XYZ</i>  <i>Entry Date: December 2012</i>  <i>Submission Due Date: January 15, 2013</i></p> <p>The data was submitted (S) with two transactions that contain errors. Both transactions were still containing errors at the end of the invoice period.</p> <p>January Invoice:  <math>2 \times \text{OS (rate = \\$0.25)} = \\$0.50</math></p> 

3.

The amount of the Error Correction Fee is based on the time interval between the submission due date and the error correction date.

The amount of the Outstanding Error Fee is based on the time interval between the submission due date and the end of the Invoice Period.

**Example 1:**

Company: XYZ

Entry Date: December 2012

Submission Due Date: January 15, 2013

The data was submitted (S) with 3 transactions containing errors.

One transaction was corrected 20 days from the due date (February 4<sup>th</sup>). One transaction was corrected 55 days from the due date (March 11<sup>th</sup>). One transaction was corrected 95 days from the due date (April 20<sup>th</sup>).

Three transactions with errors were outstanding at the end of the January invoice period (16 days old). Two transactions with errors were outstanding at the end of the February invoice period (44 days old). One transaction with errors was outstanding at the end of the March invoice period (75 days old).

January Invoice:

3 x OS (rate = \$0.25, based on 16 days interval) = \$0.75

February Invoice:

1 x EC (rate = \$0.25, based on 20 days interval) = \$0.25

2 x OS (rate = \$0.50, based on 44 days interval) = \$1.00

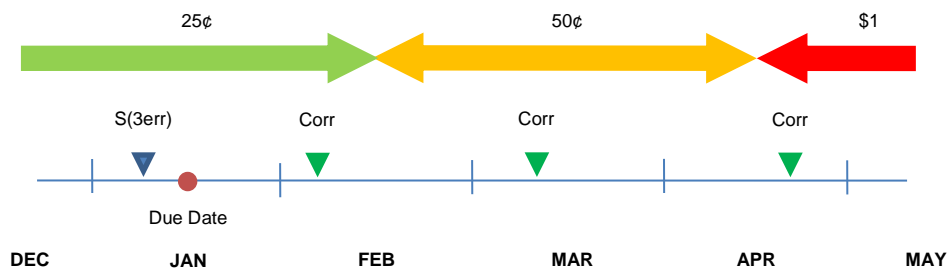
March Invoice:

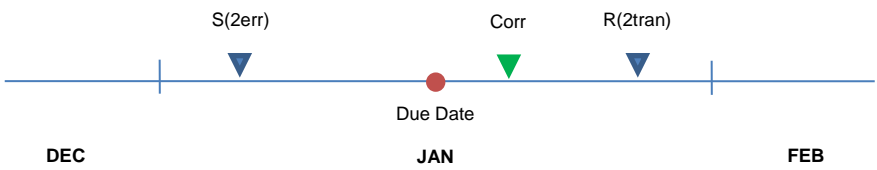
1 x EC (rate = \$0.50, based on 55 days interval) = \$0.50

1 x OS (rate = \$0.50, based on 75 days interval) = \$0.50

April Invoice:

1 x EC (rate = \$1.00, based on 95 days interval) = \$1.00



<p>4.</p>	<p><b>Error Correction Fees and Outstanding Error Fees are not charged for reversed transactions.</b></p> <p><b>Example 1:</b>  <i>Company: XYZ</i>  <i>Entry Date: December 2012</i>  <i>Submission Due Date: January 15, 2013</i></p> <p>The data was submitted (S) with two transactions that contain errors. Corrections were made on one transaction within the invoice period, while the other transaction is left uncorrected. Both transactions are then reversed (R).</p> <p>January Invoice:  1 x EC (rate = \$0.25) = \$0.25 - not charged because the transaction is reversed  1 x OS (rate = \$0.25) = \$0.25 - not charged because the transaction is reversed</p>  <p style="text-align: center;"> <span style="margin-right: 100px;">S(2err)</span> <span style="margin-right: 100px;">Corr</span> <span>R(2tran)</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">DEC</span> <span>Due Date</span> <span>JAN</span> <span style="margin-left: 100px;">FEB</span> </p>
<p>5.</p>	<p><b>Corrected Transaction</b></p> <p>A transaction is considered 'corrected' when all error codes (other than excluded error codes) are cleared from the transaction.</p>
<p>6.</p>	<p><b>Outstanding Transaction</b></p> <p>If a transaction has error codes that were not corrected (other than excluded error codes), it is considered 'outstanding'.</p>
<p>7.</p>	<p><b>Multiple Error Codes</b></p> <p>When there are multiple error codes corrected on the same transaction only one Error Correction Fee is charged.</p> <p>When there are multiple outstanding error codes on the same transaction in one invoice period, only one Outstanding Error Fee is charged in that invoice period.</p>
<p>8.</p>	<p><b>Excluded Error Codes</b></p> <p>Excluded error codes must be ignored in the calculation process - the system must behave as if these error codes do not exist.</p> <p>Error Correction Fees and Outstanding Error Fees apply if non-excluded error codes exist on a transaction.</p> <p>Error codes for soft errors will be maintained through excluded error codes.</p>
<p>9.</p>	<p><b>Recycled Errors</b></p> <p>Error Correction Fees are not charged for the recycled errors (errors corrected by the system and not by the user).</p>
<p>10.</p>	<p><b>Historical Data Correction Files</b></p> <p>Error Correction Fees and Outstanding Error Fees are not charged for historical data correction files (a.k.a. onset-offset files, prefixed with TAUTON, TAUTOF, TLIABN or TLIABF).</p>

11.

**Error Correction Fees must be charged even for corrections made before the submission due date.**

**Example 1:**

*Company: XYZ*

*Entry Date: December 2012*

*Submission Due Date: January 15, 2013*

The data was submitted (S) with 5 error transactions. Three error transactions were corrected in January (one before the due date). Two error transactions were outstanding at the end of January and corrected in February.

January Invoice:

3 x EC (rate = \$0.25) = \$0.75

2 x OS (rate = \$0.25) = \$0.50

February Invoice:

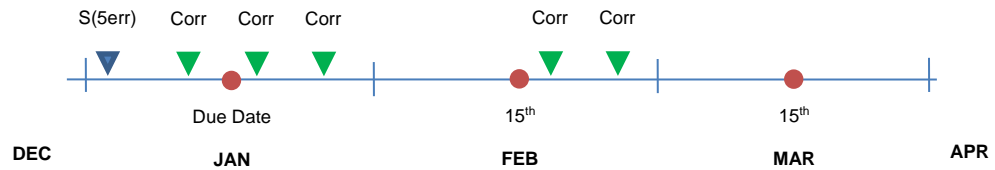
2 x EC (rate = \$0.50) = \$1.00


0 x OS (rate = \$0.50) = \$0.00

March Invoice:

0 x EC = \$0.00

0 x OS = \$0.00



<p>12.</p>	<p><b>Outstanding Error Fees are not charged in Invoice Periods before the submission due date.</b></p> <p><b>Example 1:</b>  <i>Company: XYZ</i>  <i>Entry Date: December 2012</i>  <i>Submission Due Date: January 15, 2013</i></p> <p>The data was submitted (S) in December with 1 error transaction. One error transaction was outstanding at the end of December. One error transaction was corrected in January.</p> <p>December Invoice:  0 x OS = \$0.00 - OS fee not charged in December because the data is due in January</p> <p>January Invoice:  1 x EC (rate = \$0.25) = \$0.25</p>  <p>The diagram shows a horizontal timeline from November to February. A vertical line marks the 'Due Date' on January 15th. A blue downward-pointing triangle labeled 'S(1err)' is positioned at the end of December, before the due date. A red dot is placed on the timeline at the due date. A green upward-pointing triangle labeled 'Corr' is positioned in January, after the due date.</p>
<p>13.</p>	<p><b>Recipient</b></p> <p>Error fees can be payable to GISA or to IBC. The following logic is used when determining the recipient of the error fees:</p> <ul style="list-style-type: none"> <li>• <b>Error Correction Fees:</b> If a transaction was originally received only with UITS error codes (non-excluded), once the transaction is corrected, the Error Correction Fee is payable to IBC. If a transaction was originally received with any non-excluded stat error codes, once the transaction is corrected, the Error Correction Fee is payable to GISA.</li> <li>• <b>Outstanding Error Fees:</b> If remaining error codes (non-excluded) occur only on UITS portion of the transaction record, the Outstanding Error Fee is payable to IBC. If any remaining non-excluded error codes occur on stat portion of the transaction record, the Outstanding Error Fee is payable to GISA.</li> </ul>
<p>14.</p>	<p><b>Submissions on Hold</b></p> <p>Submissions that are 'on hold', and not released ('accepted') are ignored in all error fee calculations (EC and OS).</p>
<p>15.</p>	<p><b>Test Submissions</b></p> <p>Submissions that are received through Test Analysis and not changed to production are ignored in all error fee calculations (EC and OS).</p>

## Annual Balance Reconciliation (ABR)

### **ABR Late Fee**

Late ABR filings will incur fees on a monthly basis in accordance with rates in the following table.

#### *ABR Late Fee Schedule*

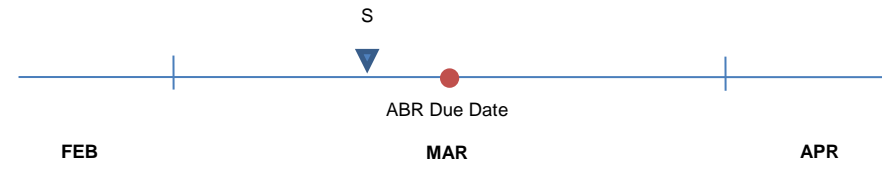
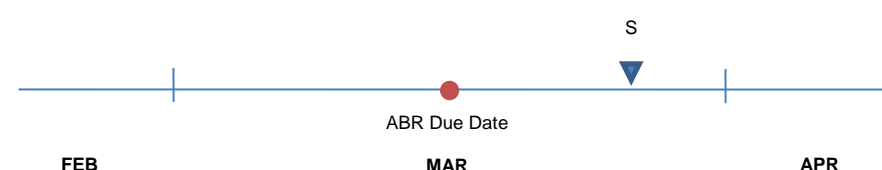
# of Months Late	Fee
Month 1	\$100
Month 2	\$200
Month 3	\$300
Month 4	\$400
Month 5	\$500
Month 6	\$600
Month 7	\$700
Month 8	\$800
Month 9	\$900
Month 10	\$1,000
Month 11	\$1,100
Month 12+	\$1,200

### **ABR Resubmission Fee**

ABR submissions received after the due date that are meant to replace previously submitted ABR filings will incur a flat rate resubmission/re-filing fee of \$3,000.

## Calculating fees related to Late ABR Submissions – Sample Scenarios

### Business Rules

#	Rule
1.	<p><b>Companies are charged ABR Fee if they were late with their ABR submissions, or if they have not submitted their ABR data at all.</b></p> <p><b>Example 1:</b>  <i>Company: XYZ</i>  <i>ABR Due Date: March 15, 2013</i>                      The ABR data was submitted (S) before the due date. ABR Fee is not charged.</p> <p>March Invoice: ABR = \$0.00</p>  <p>The diagram shows a horizontal timeline with vertical tick marks for FEB, MAR, and APR. A red dot labeled 'ABR Due Date' is positioned on the MAR tick mark. A blue downward-pointing triangle labeled 'S' is positioned to the left of the red dot, indicating submission before the due date.</p> <p><b>Example 2:</b>  <i>Company: XYZ</i>  <i>ABR Due Date: March 15, 2013</i>                      ABR data was submitted (S) after the due date. ABR Fee is charged in March.</p> <p>March Invoice: ABR = \$100</p>  <p>The diagram shows a horizontal timeline with vertical tick marks for FEB, MAR, and APR. A red dot labeled 'ABR Due Date' is positioned on the MAR tick mark. A blue downward-pointing triangle labeled 'S' is positioned to the right of the red dot, indicating submission after the due date.</p>



2.

**Rate of ABR Fee charge is based on a one month window subsequent to ABR due date.**

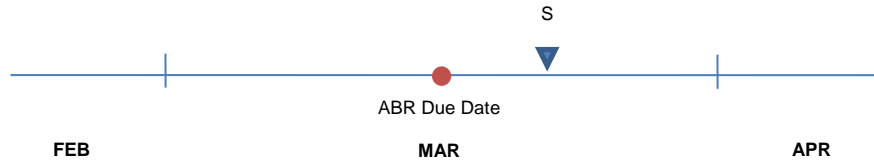
**Example 1:**

*Company: XYZ*

*ABR Due Date: March 15, 2013*

The ABR data was submitted (S) after the due date, within the same Invoice Period.

March Invoice: ABR = \$100 (one month late)



**Example 2:**

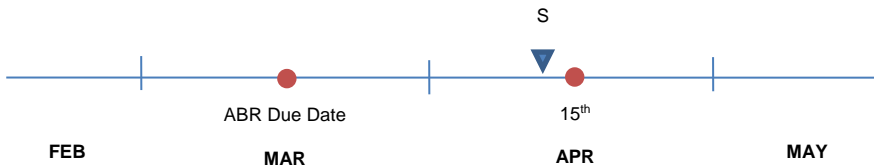
*Company: XYZ*

*ABR Due Date: March 15, 2013*

The data was submitted (S) after the due date, within one month of the due date.

March Invoice: ABR = \$100 (one month late)

April Invoice: ABR = \$0



**Example 3:**

*Company: XYZ*

*Due Date: March 15, 2013*

The data was submitted (S) more than one month after the due date.

March Invoice: ABR = \$100 (one month late)

April Invoice: ABR = \$200 (two months late)



3.

**Annual Submissions**

Companies are required to submit new ABR data every year.

4.

**Companies can be charged more than one ABR Fee in the same Invoice Period**

**Example 1:**

*Company: XYZ*

*ABR Due Date (for 2011 submission): March 15, 2012*

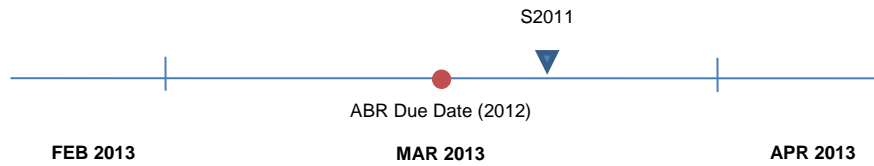
*ABR Due Date (for 2012 submission): March 15, 2013*

The 2011 ABR was submitted (S2011) in March 2013. The 2012 ABR was not submitted.

March Invoice:

ABR (for 2011 submission)= \$1200 (13 months late)

ABR (for 2012 submission)= \$100 (one month late)



## FINANCIAL INFORMATION (FI)

In September 2011, the Superintendents of Insurance approved the collection of financial information from automobile insurance companies. This data will enable regulators to better understand and monitor the automobile insurance industry's financial performance.

To encourage all reporting companies to submit their data accurately and in a timely manner, GISA has implemented a daily Deficiency Fees System (DFS) structure for the Financial Information (FI) collection. The FI DFS will apply to **each** company group filing of the P&C Quarterly Return (Q4), P&C Annual Supplement, FI-ULAE and FI-Main.

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.

### Reported Company Group

Fees will be determined based on relative size of reported company groups based on the following table:

Reported Company Group	Previous Year's Reported Automobile Direct Premiums Written Range
Small	\$0 - \$49,999,999
Medium	\$50,000,000 - \$299,999,999
Large	\$300,000,000 - \$999,999,999

**Late Submission Fees**

Late FI filings will be subject to the following fees:

Fee	Reported Company Group		
	Small	Medium	Large
Daily	\$100	\$250	\$500

The following guidelines also apply for the purpose of calculating the late fee:

- All FI filings received after 11:59:59PM of the day on which it is due will be considered late;
- If a FI filing is not received by the end of the day on which it is due, federal holidays and weekends are included in the number of days the return is late;
- Late fees will accumulate until the FI filing is received (no maximum);
- Incomplete or non-generated files received after the due date will be considered late;
- FI filings not received by [FI@IBC.CA](mailto:FI@IBC.CA) on or before the due date will be considered late; and
- Printable Certificate of Officer must be submitted by fax or e-mail on or before the due date.

**Resubmission Fees**

FI resubmissions will be subject to the following fees:

Fee	Reported Company Group		
	Small	Medium	Large
Resubmission	\$2,500	\$5,000	\$7,500

FI resubmission fees will only apply to the first resubmission, any subsequent resubmissions will not be assessed a fee. FI resubmissions received prior to the reporting deadline will not be assessed a fee.

**Escalation and Disputes**

Any escalation or disputes regarding the FI DFS will follow the approved GISA *Administrative Review Process* posted on GISA’s website. GISA’s service provider, IBC, does not have any authority to waive fees or alter the due dates.

Please contact GISA or GISA’s service provider, IBC, at [FI@IBC.CA](mailto:FI@IBC.CA) before the due dates for any other concerns.



3. **Late Submission and Resubmission**


**FI resubmission fees will only apply to the first resubmission of each submission, any subsequent resubmissions will not be assessed a fee.**

**Example 3:**  
*Company: XYZ*  
*Company Grouping: Medium*  
 FI Due Date (for 2012 submission): March 9, 2013

The 2012 FI submission (S2012) was submitted on March 13, 2013.  
 The 2012 FI submission (S2012) was resubmitted on March 16, 2013 and March 22, 2013.

March Invoice:  
 FI Late Submission (for 2012 submission) = \$1,000 (\$250 x 4 days late)  
 FI Resubmission (for 2012 submission) = \$5,000 (1<sup>st</sup> Resubmission) + \$0 (2<sup>nd</sup> Resubmission)

**March Invoice: FI (for 2012 submission) = \$6,000**



The diagram is a horizontal timeline from February 2013 to April 2013. A vertical line marks the 'FI Due Date March 9, 2013' with a red dot. A blue triangle labeled 'S2012' is positioned at March 13, 2013. Two more blue triangles labeled 'R2012' are positioned at March 16, 2013 and March 22, 2013.

## DEFICIENCY FEE WAIVERS

Deficiency fees will be waived under the following circumstances:

### High Quality of Submissions

Error fees will be automatically waived if a Company achieves a combined level of quality that is higher than a predetermined threshold –for *all* initial data submissions in the given month.

Note that:

- Error correction fees shall be waived only in the invoice period for which the data quality threshold is calculated. The waived fees shall be completely erased, and will not be transferred onto subsequent months;
- Only error correction fees will be waived. This incentive will not apply to outstanding error fees;
- The quality threshold is only calculated in the invoice period in which the data is due;
- The threshold for high quality is determined by GISA and is adjustable.

### Quality Threshold Business Rules/Sample Scenario

#	Rule
1.	<p><b>If an RU achieved quality higher than the Quality Threshold then the Error Correction Fees should be waived for that RU</b></p> <p><b>RU quality</b> can be determined as:</p> <p><i>(1 – <b>total error amount</b> (as submitted for the RU by the end of the invoice period in which the RU is due, sum of absolute values) / <b>total amount</b> (as submitted for the RU by the end of the invoice period in which the RU is due, sum of absolute values)) * 100</i></p> <p>Submissions that are reversed or on hold at the end of the invoice period in which the RU is due are excluded from <b>total error amount</b> and <b>total amount</b>.</p> <p>System waives Error Correction Fees by setting the Waived Fee amount to the same value as Calculated Fee amount. Reason for the waiving shall be populated as ‘Quality Threshold’.</p>

2.

**Error Correction Fees can be waived based on the Quality Threshold only in the Invoice Period in which the submission is due, not in earlier or later Invoice Periods.**

**Example 1:**

*Company: XYZ*

*Entry Date: December 2012*

*Submission Due Date: January 15, 2013*

The data was submitted (S) in January. Out of 1000 transactions submitted (absolute total amount is \$1000), 2 transactions contain errors (absolute total error amount is \$2.00). One error transaction was corrected in January. One error transaction was corrected in February.

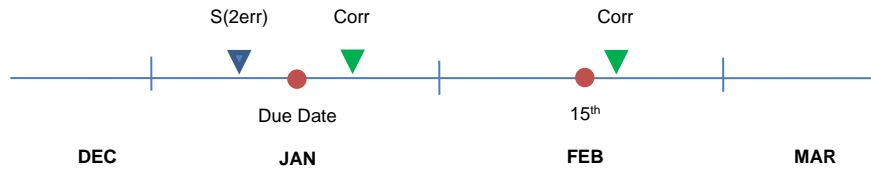
Total amount = \$1000.00  
 Total error amount = \$2.00  
 RU quality =  $(1 - 2 / 1000) * 100 = 99.80\%$   
 Quality Threshold = 98.50%

January Invoice:

1 x EC (rate = \$0.25) = \$0.25 - This fee is waived based on the quality threshold

February Invoice:

1 x EC (rate = \$0.25) = \$0.25 - This fee is NOT waived based on the quality threshold



**Minimum Invoice Amount**

If the total monthly invoice amount is under a predefined value, an invoice will not be generated; and information related to the waived charges will be available for online review by the users.

**SUPPORT AND QUESTIONS**

**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.**