

TO: All Agents and Brokers (ALL CANADA)

BULLETIN NO.: ALL.AGCY 2024-03

DATE: September 27, 2024

SUBJECT: End of Temporary Allowance: Letters of Authorization

On August 12 2022, Facility Association introduced a temporary allowance, allowing the submission of Letters of Authorization on renewal policies.

This temporary allowance was made to support the service standard objectives and to minimize processing wait time for clients requesting a change in Brokerage. The Facility Association Manual of Rules & Rates, which prohibits this activity, was not amended to permit this change to procedures.

This temporary allowance will end on December 31, 2024. Any Letter of Authorization requests received on or effective after December 31, 2024 will not be processed. In accordance with the Facility Association Manual of Rules and Rates, a new fully completed application, including applicable supplementary underwriting information, will be required.

It is expected that Agents and Brokers carefully review risks for remarket before a policy is bound. Transfers of a book of business or partial book of business at renewal remain permissible as outlined in the Manual.

As a reminder, the underwriting manual stipulates the following:

Midterm Transfer of Business and Broker of Record Letter of Authorization

Broker of Record Letters of Authorization for an Insured to change Agent/Broker are not accepted. A new application must be submitted whether the transfer from one Agent/Broker to another is to take place midterm or at renewal. Midterm transfer of a book of business or partial book of business from one Agent/Broker to another is not permissible. The transfer will take place at renewal. It is expected the new Agent/Broker will review the risk carefully for remarket before renewing with Facility Association.

If you have any questions regarding this bulletin, please contact your Servicing Carrier.