

**NEWFOUNDLAND AND LABRADOR  
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**AN ORDER OF THE BOARD**

**NO. A.I. 2(2017)**

1 **IN THE MATTER OF** the *Automobile*  
2 *Insurance Act*, RSNL 1990, c. A-22, as  
3 amended (the “*Act*”); and  
4

5 **IN THE MATTER OF** an application  
6 by Royal and Sun Alliance Insurance  
7 Company of Canada for approval to  
8 implement a revised rating program for  
9 its Private Passenger Automobiles class  
10 of business.  
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13 **WHEREAS** on January 25, 2017 Royal and Sun Alliance Insurance Company of Canada  
14 applied to the Board for approval of a revised rating program for its Private Passenger  
15 Automobiles class of business; and  
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17 **WHEREAS** on March 16, 2017 the Board’s consulting actuaries, Oliver Wyman Limited, filed a  
18 report of findings with the Board; and  
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20 **WHEREAS** on March 24, 2017 Royal and Sun Alliance Insurance Company of Canada filed  
21 comments and an amended rate proposal in response to the Oliver Wyman report; and  
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23 **WHEREAS** based on the record the Board finds that some proposals used by Royal and Sun  
24 Alliance Insurance Company of Canada in calculating its rate level indications have not been  
25 fully justified; and  
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27 **WHEREAS** substituting alternative assumptions will not reduce the rate indications below the  
28 proposed rates; and  
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30 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.  
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33 **IT IS THEREFORE ORDERED THAT:**  
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- 35 1. The revised rating program received March 24, 2017 from Royal and Sun Alliance Insurance  
36 Company of Canada is approved to be effective no sooner than May 1, 2017 for new  
37 business and June 22, 2017 for renewals.

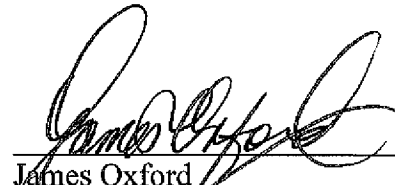
- 1 2. Royal and Sun Alliance Insurance Company of Canada will be required to pay the costs of
- 2 the Board associated with this filing, including the costs of the actuarial review.

**DATED** at St. John's, Newfoundland and Labrador, this 21<sup>st</sup> day of April 2017.



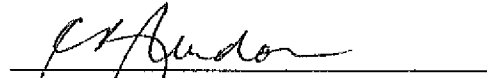
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Darlene Whalen, P.Eng.  
Vice-Chair



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James Oxford  
Commissioner



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Cheryl Blundon  
Board Secretary