

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

AN ORDER OF THE BOARD

NO. A.I. 18(2026)

1 **IN THE MATTER OF** the **Automobile**
2 **Insurance Act**, RSNL 1990, c. A-22,
3 as amended, and regulations
4 thereunder; and
5

6 **IN THE MATTER OF** an application by
7 Aviva Insurance Company of Canada for
8 approval to implement a revised rating
9 program for its Private Passenger
10 Automobiles category of automobile
11 insurance.
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14 **WHEREAS** on December 19, 2025 Aviva Insurance Company of Canada (“Aviva”) applied to the
15 Board for approval of a revised rating program under the Mandatory filing option for its Private
16 Passenger Automobiles category of automobile insurance; and
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18 **WHEREAS** Aviva filed an overall rate level indication of +12.1% and proposed an overall rate level
19 change of +10.0%; and
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21 **WHEREAS** Aviva proposed the following rating program changes:

- 22 • Base rate changes by coverage;
- 23 • Adoption of the 2026 CLEAR rate group tables;
- 24 • Years Owned differential changes;
- 25 • Annual KM differential changes;
- 26 • Introduce a High-Risk Vehicle variable;
- 27 • Discount changes; and
- 28 • Underwriting rule updates; and
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30 **WHEREAS** the filing was sent to the Board’s actuarial consultants, Oliver Wyman Limited (“Oliver
31 Wyman”) for review and report; and
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33 **WHEREAS** on April 1, 2026 Oliver Wyman filed a report of findings which identified issues with
34 certain assumptions used by Aviva to estimate its overall rate level indication; and

1 **WHEREAS** Oliver Wyman found Aviva’s proposed overall rate level change of +10.0% to be
2 unsupported, as substituting alternative assumptions it found to be more reasonable for accident
3 year weights, loss trends, health levy, expense provision, complement of credibility and profit
4 provision resulted in an overall rate level indication of +4.6%, lower than that proposed by Aviva;
5 and

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7 **WHEREAS** Oliver Wyman found Aviva’s adoption of the 2026 CLEAR rate group tables,
8 differentials changes, discount changes and underwriting rule updates to be reasonable; and

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10 **WHEREAS** on April 9, 2026 Aviva revised its proposal to align with Oliver Wyman’s alternative
11 indication, noting its motivation for doing so is predominantly related to the timely
12 implementation of rates; and

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14 **WHEREAS** on May 1, 2026 Risk Consulting Services¹ confirmed the revised proposal aligns with
15 Oliver Wyman’s alternative indication, acknowledging that some deviation from the alternative
16 was unavoidable; and

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18 **WHEREAS** the revised proposal results in an overall rate level change of +4.3%; and

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20 **WHEREAS** the Board acknowledges that a wide range of outcomes are possible in any prospective
21 ratemaking exercise and that the variance in the overall rate level indications produced by Aviva
22 and Oliver Wyman result primarily from differing actuarial judgements on a number of rate
23 analysis assumptions; and

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25 **WHEREAS** the Board does not consider Aviva’s alignment with Oliver Wyman’s alternative
26 indication as support for residual rate level inadequacy in future filings; and

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28 **WHEREAS** the Board accepts Aviva’s proposed adoption of the 2026 CLEAR rate group tables,
29 differentials changes, High-Risk Vehicle variable, discount changes and underwriting rule
30 updates; and

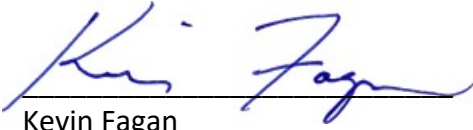
31
32 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
33 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
34 financial circumstances of the insurer, and do not violate the **Automobile Insurance Act** or the
35 **Insurance Companies Act** or the respective regulations thereunder.

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38 **IT IS THEREFORE ORDERED THAT:**

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40 1. The revised rating program received April 9, 2026 from Aviva Insurance Company of Canada
41 for its Private Passenger Automobiles category of automobile insurance is approved to be
42 effective no sooner than August 1, 2026 for new business and renewals.

¹ Risk Consulting Services replaced Oliver Wyman Ltd. as the Board’s consulting actuaries on April 1, 2026.

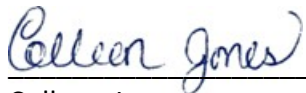
DATED at St. John's, Newfoundland and Labrador, this 20th day of May, 2026.



Kevin Fagan
Chair and Chief Executive Officer



Jo-Anne Galarneau, LL.B, CMA, ICD.D
Commissioner



Colleen Jones
Assistant Board Secretary