

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

AN ORDER OF THE BOARD

NO. A.I. 20(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 S&Y Insurance Company for approval

8 to implement a revised rating program

9 for its Private Passenger Automobiles

10 category of automobile insurance.

11

12

13 **WHEREAS** on December 19, 2025 S&Y Insurance Company (“S&Y”) applied to the Board for
14 approval of a revised rating program under the Mandatory filing option for its Private Passenger
15 Automobiles category of automobile insurance; and

16

17 **WHEREAS** S&Y filed an overall rate level indication of +6.3% and proposed an overall rate level
18 change of +6.3%; and

19

20 **WHEREAS** S&Y proposed the following rating program changes:

21

- Base rate changes by coverage;
- Adoption of the 2026 CLEAR rate group tables;
- Years Owned differential changes;
- Annual KM differential changes;
- Introduce a High-Risk Vehicle variable;
- Discount changes; and
- Underwriting rule updates; and

22

23

24

25

26

27

28

29 **WHEREAS** the filing was sent to the Board’s actuarial consultants, Oliver Wyman Limited (“Oliver
30 Wyman”) for review and report; and

31

32 **WHEREAS** on April 1, 2026 Oliver Wyman filed a report of findings which identified issues with
33 certain assumptions used by S&Y to estimate its overall rate level indication; and

1 **WHEREAS** Oliver Wyman found S&Y's proposed overall rate level change of +6.3% to be
2 unsupported, as substituting alternative assumptions it found to be more reasonable for accident
3 year weights, loss trends, health levy, complement of credibility and profit provision resulted in
4 an overall rate level indication of +0.6%, lower than that proposed by S&Y; and

5
6 **WHEREAS** Oliver Wyman found S&Y's adoption of the 2026 CLEAR rate group tables, differentials
7 changes, discount changes and underwriting rule updates to be reasonable; and

8
9 **WHEREAS** on April 9, 2026 S&Y revised its proposal to align with Oliver Wyman's alternative
10 indication, noting its motivation for doing so is predominantly related to the timely
11 implementation of rates; and

12
13 **WHEREAS** on May 1, 2026 Risk Consulting Services¹ confirmed the revised proposal aligns with
14 Oliver Wyman's alternative indication and results in an overall rate level change of +0.6%; and

15
16 **WHEREAS** the Board acknowledges that a wide range of outcomes are possible in any prospective
17 ratemaking exercise and that the variance in the overall rate level indications produced by S&Y
18 and Oliver Wyman result primarily from differing actuarial judgements on a number of rate
19 analysis assumptions; and

20
21 **WHEREAS** the Board does not consider S&Y's alignment with Oliver Wyman's alternative
22 indication as support for residual rate level inadequacy in future filings; and

23
24 **WHEREAS** the Board accepts S&Y's proposed adoption of the 2026 CLEAR rate group tables,
25 differentials changes, High-Risk Vehicle variable, discount changes and underwriting rule
26 updates; and

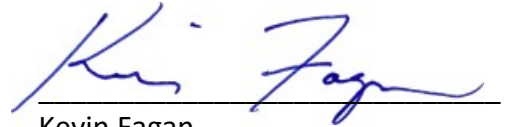
27
28 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
29 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
30 financial circumstances of the insurer, and do not violate the **Automobile Insurance Act** or the
31 **Insurance Companies Act** or the respective regulations thereunder.

32
33
34 **IT IS THEREFORE ORDERED THAT:**

- 35
36 1. The revised rating program received April 9, 2026 from S&Y Insurance Company for its Private
37 Passenger Automobiles category of automobile insurance is approved to be effective no
38 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