



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador
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DIRECTIVE A.I. 2012-02

ISSUED: May 14, 2012

TO: All insurers, including Facility Association, transacting the business of automobile insurance in the province of Newfoundland and Labrador

SUBJECT: 2012 CLEAR Rate Group Table

The Board advises that the 2012 CLEAR rate group table has been approved for use by insurers writing automobile insurance business in the Province. Companies wishing to adopt the 2012 CLEAR rate group table can do so by making a CLEAR Category 1 Simplified filing where the requirements outlined below are met:

- 1) Where the filing company is currently using the 2011 CLEAR rate group table and **HAS** submitted for the Board's review a full Category 2 actuarially justified filing between **August 1, 2011 and May 1, 2012**, the 2012 CLEAR rate group table may be adopted with no base rate adjustment required.
- 2) Where the filing company is currently using the 2011 CLEAR rate group table but **HAS NOT** submitted for the Board's review a full Category 2 actuarially justified filing between **August 1, 2011 and May 1, 2012**, the 2012 CLEAR table may be adopted by applying the following base rate adjustment factors:

Coverage	Rate Group Drift	Loss Trend	Base Rate Adjustment
Collision	4.389%	1.0%	-3.3%
Comprehensive	6.044%	12.0%	5.0%
Specified Perils	6.044%	12.0%	5.0%

Insurers that do not wish to use the Board's base rate adjustment factors may provide a detailed calculation of their own factors using company specific experience. Adjustments other than those provided in the table above will be subject to review by the Board's actuarial consultants.

- 3) Where the filing company is using a rate group table older than 2011 CLEAR, the 2012 CLEAR rate group table may be adopted by applying an annual base rate adjustment for each year in which the table was not updated by the company. In such cases, direct contact with

the Board's actuarial consultants is recommended prior to filing to determine the appropriate base rate adjustment factors to be used.

Updates to the CLEAR rate group table can also be processed as a comprehensive Category 2 actuarially justified filing. This method must be selected if the company wishes to make changes to rating elements other than the rate group table that will result in any increase in any rate for any insured.

Full instructions for all rate filing categories can be found in the Board's Filing Guidelines at <http://www.pub.nl.ca/insurance.htm>.

Should you have any questions regarding this matter please contact Ryan Oake, Regulatory Analyst, at roake@pub.nl.ca.

Yours truly,



Cheryl Blundon
Board Secretary