

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

AN ORDER OF THE BOARD

NO. A.I. 10(2011)

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

4
5 **AND**

6
7 **IN THE MATTER OF** an application by
8 The Canadian Union Insurance Company
9 to implement a revised rating program for its
10 Private Passenger Automobiles class of business.

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13 **WHEREAS** on April 7, 2011 The Canadian Union Insurance Company applied to the Board for
14 approval of a revised automobile insurance rating program for its Private Passenger Automobiles
15 class of business; and

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17 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
18 the Board; and

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20 **WHEREAS** on May 16, 2011 Oliver Wyman filed a report of findings with the Board which
21 identified key areas of the filing for the Board’s consideration; and

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23 **WHEREAS** on May 27, 2011 the Board provided The Canadian Union Insurance Company
24 with a copy of the Oliver Wyman report and requested additional information in connection with
25 the areas highlighted in the Oliver Wyman report; and

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27 **WHEREAS** on June 2, 2011 The Canadian Union Insurance Company filed additional
28 information with the Board; and

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30 **WHEREAS** based on the record the Board finds that several proposed changes have not been
31 fully justified; and

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33 **WHEREAS** the Board accepts the proposals of The Canadian Union Insurance Company with
34 the exception of: i) Uninsured Motorist rate level change; ii) standard commission provision; iii)
35 contingent commission provision; and iv) reinsurance costs; and

1 **WHEREAS** the Board will require The Canadian Union Insurance Company to file a revised
2 rate proposal for its Private Passenger Automobiles class of business incorporating the findings
3 of the Board as set out in its Reasons for Decision to be issued separately.
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5 **IT IS THEREFORE ORDERED THAT:**
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- 7 1. The application is denied.
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9 2. The Canadian Union Insurance Company shall submit, for the approval of the Board,
10 within 30 days of receipt of the Board's Reasons for Decision, a revised rate proposal for
11 its Private Passenger Automobiles class of business with the changes in parameters
12 outlined therein.
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14 3. The Canadian Union Insurance Company shall pay the expenses of the Board incurred in
15 connection with this matter.

DATED at St. John's, Newfoundland and Labrador, this 5th day of July, 2011

Darlene Whalen, P.Eng.
Vice-Chair

James Oxford
Commissioner

Barbara Thistle
Assistant Board Secretary