

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

**AN ORDER OF THE BOARD**

**NO. A.I. 20(2011)**

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

5 **AND**  
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7 **IN THE MATTER OF** an application by  
8 Royal & Sun Alliance Insurance Company of Canada  
9 to implement a revised rating program for its  
10 Private Passenger Automobiles class of business.  
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13 **WHEREAS** on August 12, 2011 Royal & Sun Alliance Insurance Company of Canada applied  
14 to the Board for approval of a revised automobile insurance rating program for its Private  
15 Passenger Automobiles 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 September 30, 2011 the Board’s consulting actuaries, Oliver Wyman, filed a  
21 report of findings with the Board; and  
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23 **WHEREAS** on October 3, 2011 the Board provided Royal & Sun Alliance Insurance Company  
24 of Canada with a copy of the Oliver Wyman report and requested additional information  
25 regarding the proposed expense provision; and  
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27 **WHEREAS** on October 14, 2011 and October 25, 2011 Royal & Sun Alliance Insurance  
28 Company of Canada filed additional 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 Royal & Sun Alliance Insurance Company of  
34 Canada with the exception of its: i) standard commission provision; and ii) contingent  
35 commission provision; and

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**WHEREAS** the Board will require Royal & Sun Alliance Insurance Company of Canada to file a revised rate proposal for its Private Passenger Automobile class of business incorporating the findings of the Board as set out in its Reasons for Decision to be issued separately.

**IT IS THEREFORE ORDERED THAT:**

1. The application is denied.
2. Royal & Sun Alliance Insurance Company of Canada shall submit, for the approval of the Board, within 30 days of receipt of the Board’s Reasons for Decision, a revised rate proposal for its Private Passenger Automobiles class of business with the changes in parameters outlined therein.
3. Royal & Sun Alliance Insurance Company of Canada shall pay the expenses of the Board incurred in connection with this matter.

Dated at St. John’s, Newfoundland and Labrador, this 10<sup>th</sup> day of November 2011

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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