

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

AN ORDER OF THE BOARD

NO. A.I. 13(2014)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, (the “*Act*”),
3 as amended and regulations thereunder; and
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5 **IN THE MATTER OF** an application by
6 The Personal Insurance Company for approval to
7 implement revised rates for its Private Passenger
8 Automobiles class of business.
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11 **WHEREAS** on September 8, 2014 The Personal Insurance Company applied to the Board for
12 approval of a revised automobile insurance rating program for its Private Passenger Automobiles
13 class of business; and
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15 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
16 the Board for certain coverages; and
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18 **WHEREAS** on October 8, 2014 the Board’s actuarial consultants, Oliver Wyman Limited, filed
19 a report of findings with the Board which identified key areas of the filing for the Board’s
20 consideration; and
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22 **WHEREAS** on October 9, 2014 the Oliver Wyman Limited report was forwarded to The
23 Personal Insurance Company for review and comment; and
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25 **WHEREAS** on October 16, 2014 The Personal Insurance Company filed a revised rate proposal
26 to the Board in response to the Oliver Wyman Limited report; and
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28 **WHEREAS** based on the record the Board finds that several proposed changes have not been
29 fully justified; and
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31 **WHEREAS** the Board accepts The Personal Insurance Company’s proposals for its Private
32 Passenger Automobiles rating program with the exception of: (1) the complement of credibility;
33 (2) the multi-line discount offset; and (3) the proposed changes to Comprehensive; Specified
34 Perils and Underinsured Motorist coverages; and

1 **WHEREAS** The Personal Insurance Company may file a revised rate proposal for its Private
2 Passenger Automobiles class of business reflecting the findings of the Board as set out in the
3 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 Personal Insurance Company will be required to pay the costs of the Board associated
10 with this filing, including the costs of the actuarial review.

DATED at St. John's, Newfoundland and Labrador, this 26th day of November 2014.

Darlene Whalen, P.Eng.
Vice-Chair

James Oxford
Commissioner

Cheryl Blundon
Board Secretary