

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

AN ORDER OF THE BOARD

NO. A.I. 8(2016)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, (the
3 "*Act*"), as amended and regulations
4 thereunder; and
5

6 **IN THE MATTER OF** an application by
7 Primmum Insurance Company for approval
8 to implement revised rates for its Private
9 Passenger Automobiles class of business.
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12 **WHEREAS** on December 9, 2015 Primmum Insurance Company applied to the Board for
13 approval of a revised automobile insurance rating program for its Private Passenger Automobiles
14 class of business; and
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16 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
17 the Board for certain coverages; and
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19 **WHEREAS** on January 27, 2016 the Board's actuarial consultants, Oliver Wyman Limited,
20 filed a report of findings with the Board which identified key areas of the filing for the Board's
21 consideration; and
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23 **WHEREAS** the Oliver Wyman Limited report was forwarded to Primmum Insurance Company
24 for comment on February 4, 2016; and
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26 **WHEREAS** on February 11, 2016 Primmum Insurance Company provided comments on the
27 Oliver Wyman Limited report in relation to minor errors in the report; and
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29 **WHEREAS** on February 15, 2016 Oliver Wyman Limited filed a revised report; and
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31 **WHEREAS** based on the record the Board finds that several proposed changes have not been
32 fully justified; and
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34 **WHEREAS** the Board accepts Primmum Insurance Company's proposals for its Private
35 Passenger Automobiles rating program with the exception of: (1) the complement of credibility,

1 (2) the profit provision, (3) the Health Levy, (4) the multi-line discount, (5) the loyalty discount,
2 (6) the driver excellence discount, and (7) the HST adjustment factor; and
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4 **WHEREAS** Primum Insurance Company may file a revised rate proposal for its Private
5 Passenger Automobiles class of business reflecting the findings of the Board as set out in the
6 Reasons for Decision to be issued separately.
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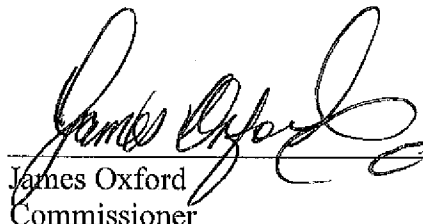
8 **IT IS THEREFORE ORDERED THAT:**
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- 10 1. The application is denied.
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12 2. Primum Insurance Company will be required to pay the costs of the Board associated with
13 this filing, including the costs of the actuarial review.

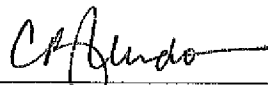
DATED at St. John's, Newfoundland and Labrador, this 3rd day of March, 2016.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary