

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

AN ORDER OF THE BOARD

NO. A.I. 23(2017)

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
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6 **IN THE MATTER OF** an application
7 by The Dominion of Canada General
8 Insurance Company for approval to
9 implement a revised rating program for its
10 Miscellaneous – Snow Vehicles class of business.
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13 **WHEREAS** on August 9, 2017 The Dominion of Canada General Insurance Company
14 (“Dominion”) applied to the Board for approval of a revised automobile insurance rating program
15 for its Miscellaneous – Snow Vehicles class of business; and
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17 **WHEREAS** on September 28, 2017 the Board’s consulting actuaries, Oliver Wyman Limited
18 (“Oliver Wyman”), filed a report of findings (“the Oliver Wyman Report”) with the Board; and
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20 **WHEREAS** on October 2, 2017 the Oliver Wyman Report was forwarded to Dominion for
21 comment; and
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23 **WHEREAS** on October 4, 2017 Dominion advised it had no comment on the Oliver Wyman
24 Report; and
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26 **WHEREAS** the application proposes extensive changes to rating variables, rate differentials, base
27 rates, discounts and surcharges, and endorsements; and
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29 **WHEREAS** Dominion stated that, due to the relatively small volume of miscellaneous vehicles
30 and lack of industry information, various assumptions used in the application were made or
31 adopted from its Private Passenger Automobiles class of business; and
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33 **WHEREAS** following the filing of this application the Board issued Order No. A.I. 17(2017)
34 denying Dominion’s application in relation to its Private Passenger Automobiles class of business
35 upon which various assumptions in its Miscellaneous – Snow Vehicles class of business
36 application are based; and

1 **WHEREAS** Oliver Wyman reported that, under the circumstance of limited data, Dominion’s
2 approach and estimate of the average indicated rate level change need for each coverage is
3 reasonable; and
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5 **WHEREAS** the Board accepts that there is insufficient underlying experience for an actuarial
6 analysis in relation to Dominion’s Miscellaneous – Snow Vehicles class of business and is satisfied
7 that the proposed assumptions made or adopted from the Private Passenger Automobiles class of
8 business are reasonable in the circumstances given the insufficient underlying experience and
9 considering that the proposed rates are lower than the indications; and
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11 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.
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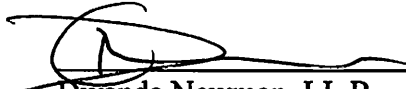
14 **IT IS THEREFORE ORDERED THAT:**
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- 16 1. The revised rating program received August 9, 2017 from The Dominion of Canada General
17 Insurance Company for its Miscellaneous – Snow Vehicles class of business is approved to be
18 effective no sooner than January 1, 2018 for new business and February 1, 2018 for renewals.
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- 20 2. The Dominion of Canada General Insurance Company will be required to pay the costs of the
21 Board associated with this filing, including the costs of the actuarial review.

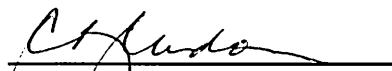
DATED at St. John’s, Newfoundland and Labrador, this 19th day of October, 2017.



 Darlene Whalen, P. Eng.
 Vice-Chair



 Dwanda Newman, LL.B.
 Commissioner



 Cheryl Blundon
 Board Secretary