

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

AN ORDER OF THE BOARD

NO. A.I. 34(2018)

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 The Dominion of Canada General Insurance
8 Company for approval to implement a
9 revised rates for its Private Passenger
10 Automobiles class of business.
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13 **WHEREAS** on June 14, 2018 The Dominion of Canada General Insurance Company
14 (“Dominion”) applied to the Board for approval of a revised rating program for its Private
15 Passenger Automobiles class of business; and
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17 **WHEREAS** the revised rating program proposes rates that are higher than those currently
18 approved by the Board for certain coverages; and
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20 **WHEREAS** on August 2, 2018 the Board’s actuarial consultants, Oliver Wyman Limited (“Oliver
21 Wyman”), filed a report (the “Oliver Wyman Report”) of findings with the Board which identified
22 key areas of the filing for the Board’s consideration; and
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24 **WHEREAS** the Oliver Wyman Report was forwarded to Dominion for comment on August 3,
25 2018; and
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27 **WHEREAS** on August 9, 2018 Dominion filed commentary in relation to the Oliver Wyman
28 Report and filed additional supporting justification; and
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30 **WHEREAS** on August 15, 2018 Oliver Wyman filed a supplemental report; and
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32 **WHEREAS** Oliver Wyman’s supplemental report was forwarded to Dominion for comment on
33 August 16, 2018; and
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35 **WHEREAS** on August 21, 2018 Dominion filed commentary in relation to Oliver Wyman’s
36 supplemental report; and

1 **WHEREAS** on August 27, 2018 Oliver Wyman provided additional commentary; and

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3 **WHEREAS** on September 7, 2018 the Board extended the 90-day review timeline; and

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5 **WHEREAS** the Board finds that Dominion has not justified its proposals related to: i) the selection
6 of ultimate losses, ii) the complement of credibility, iii) the expense provision, and iv) the profit
7 provision; and

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9 **WHEREAS** Dominion may file a revised rate proposal for its Private Passenger Automobiles
10 class of business reflecting the findings of the Board as set out in the Reasons for Decision to be
11 issued separately.

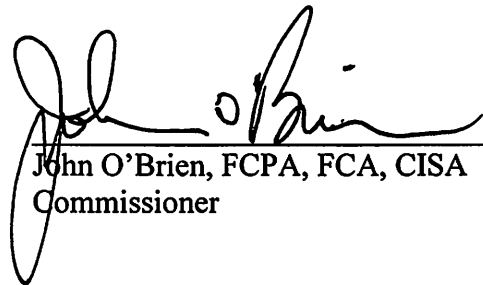
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14 **IT IS THEREFORE ORDERED THAT:**

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- 16 1. The application is denied.
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- 18 2. The Dominion of Canada General Insurance Company will be required to pay the costs of the
- 19 Board associated with this filing, including the costs of the actuarial review.

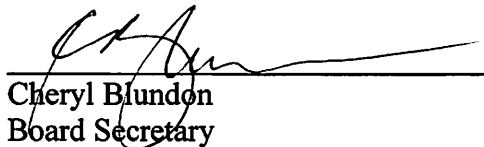
DATED at St. John's, Newfoundland and Labrador, this 12th day of October, 2018.



Darlene Whalen, P. Eng., FEC
Chair & CEO



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary