

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

AN ORDER OF THE BOARD

NO. A.I. 44(2021)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22,
3 as amended, and regulations
4 thereunder; and
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6 **IN THE MATTER OF** an application
7 by Co-operators General Insurance
8 Company for approval of rating program
9 changes for its Commercial Vehicles
10 category of automobile insurance.
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13 **WHEREAS** on August 10, 2021 Co-operators General Insurance Company (“Co-op”) applied to
14 the Board under the Supplemental filing option for approval of rating program changes for its
15 Commercial Vehicles category of automobile insurance; and
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17 **WHEREAS** on October 19, 2021 the Board received an amendment from Co-op to correct errors
18 discovered in its original submission; and
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20 **WHEREAS** Co-op proposed an overall rate level change of 0.0% which included the following:

- 21 a) Differential changes;
- 22 b) Rating variable changes;
- 23 c) Discount and surcharge changes;
- 24 d) Rating rule and definition changes;
- 25 e) New minimum deductible requirements;
- 26 f) Adoption of the 2021 CLEAR rate table;
- 27 g) Discontinuation of IAO rate group; and
- 28 h) Base rate changes by coverage to achieve revenue neutrality; and
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30 **WHEREAS** Co-op also proposed to introduce a new capping method to mitigate the dislocation
31 of the rating program changes at renewal and estimated the overall rate level change on a capped
32 basis to be -5.4%; and
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34 **WHEREAS** on October 25, 2021 the Board's actuarial consultants, Oliver Wyman Limited
35 (“Oliver Wyman”), filed a report of findings with the Board which identified key areas of the filing
36 for the Board's consideration; and


1 **WHEREAS** Oliver Wyman reported that it found the proposed rating program changes to be
2 reasonable and supported based on the analysis and judgements made by Co-op; and
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4 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
5 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
6 financial circumstances of the insurer, and do not violate the *Automobile Insurance Act* or the
7 *Insurance Companies Act* or the respective regulations thereunder.
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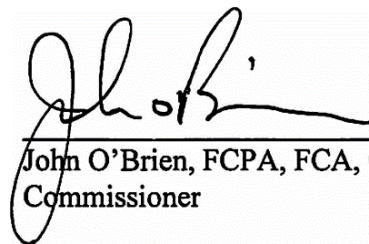
10 **IT IS THEREFORE ORDERED THAT:**

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12 1. The revised rating program received October 19, 2021 from Co-operators General
13 Insurance Company for its Commercial Vehicles category of automobile insurance is
14 approved to be effective no sooner than February 16, 2022 for new business and March 18
15 2022 for renewals.


DATED at St. John's, Newfoundland and Labrador, this 5th day of November, 2021.



Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Sara Kean
Assistant Board Secretary