

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

**AN ORDER OF THE BOARD**

**NO. A.I. 23(2023)**

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

6 **IN THE MATTER OF** an application by  
7 Belair Insurance Company Inc. for  
8 approval to implement a rating program  
9 for its Private Passenger Automobile  
10 category of automobile insurance.  
11  
12

13 **WHEREAS** on January 12, 2023 Belair Insurance Company Inc. (“Belair”) applied to the Board  
14 under the Mandatory filing option for approval to implement a new rating program for its Private  
15 Passenger Automobiles category of automobile insurance; and  
16

17 **WHEREAS** on April 14, 2023 Belair filed an amendment to its filing; and  
18

19 **WHEREAS** Belair is owned by Intact Financial Corporation and is a new entity in the province that  
20 will replace its affiliates Novex Insurance Company (“Novex”) and Unifund Assurance Company  
21 (“Unifund”) as underwriters for Private Passenger Automobiles and Miscellaneous Vehicles; and  
22

23 **WHEREAS** this is Belair’s first Private Passenger Automobiles rate filing in the province; and  
24

25 **WHEREAS** Belair proposed to use the Novex Private Passenger Automobiles rating program,  
26 along with the following changes, as the starting point for Belair:

- 27
- Updated CLEAR rate groups;
  - 28 • Addition of new rating variables, discounts and surcharges;
  - 29 • Removal of rating variables and discounts; and
  - 30 • Modification of existing rating variables, discounts and surcharges; and
- 31

32 **WHEREAS** Belair proposed to off-balance the impact of the above-noted rating program changes  
33 to achieve revenue neutrality; and

1 **WHEREAS** Belair proposed to introduce an upper bound rate cap of +5% and a lower bound rate  
2 cap of -5% for a one-year period to manage policyholder dislocation; and

3

4 **WHEREAS** Belair proposed an overall rate level change of 0.0% on an uncapped basis and -0.2%  
5 on a capped basis; and

6

7 **WHEREAS** on June 28, 2023 the Board’s actuarial consultants, Oliver Wyman Limited (“Oliver  
8 Wyman”), filed a report of findings with the Board; and

9

10 **WHEREAS** Oliver Wyman noted that while it was not in full agreement with all of the proposed  
11 rating variable and differential changes, it found them to be reasonable in the circumstances; and

12

13 **WHEREAS** Oliver Wyman found the proposed revenue neutral approach and resulting average  
14 rate level to be reasonable for the transition to Belair and therefore found the rate proposal to  
15 be reasonable in the circumstances; and

16

17 **WHEREAS** the Board accepts the proposed rating program changes including the rate groups,  
18 rating variables, discounts and surcharges; and

19

20 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the  
21 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the  
22 financial circumstances of the insurer, and do not violate the **Automobile Insurance Act** or the  
23 **Insurance Companies Act** or the respective regulations thereunder.

24

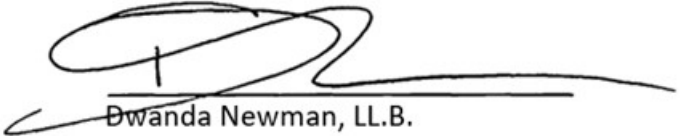
25

26 **IT IS THEREFORE ORDERED THAT:**

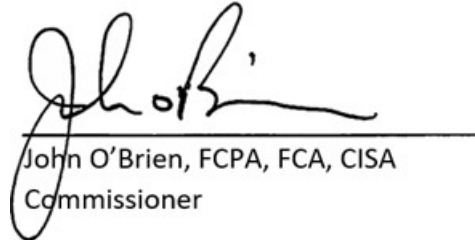
27

- 28 1. The proposed rating program received on April 14, 2023 from Belair Insurance Company Inc.  
29 for its Private Passenger Automobiles category of automobile insurance is approved to be  
30 effective no sooner than September 11, 2023 for new business and January 2, 2024 for  
31 renewals.


**DATED** at St. John's, Newfoundland and Labrador, this 6<sup>th</sup> day of July, 2023.



Dwanda Newman, LL.B.  
Vice-Chair



John O'Brien, FCPA, FCA, CISA  
Commissioner



Cheryl Blundon  
Board Secretary