

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

AN ORDER OF THE BOARD

NO. A.I. 32(2024)

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 Intact Insurance Company for approval
8 to implement rating program changes
9 for its Private Passenger Automobiles
10 category of automobile insurance.
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12
13 **WHEREAS** on February 27, 2024 Intact Insurance Company (“Intact”) applied to the Board under
14 the Supplemental filing option to implement rating program changes for its Private Passenger
15 Automobiles category of automobile insurance; and
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17 **WHEREAS** on April 23, 2024 Intact filed an amendment to correct a calculation error; and
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19 **WHEREAS** Intact proposed the following rating program changes which resulted in an overall rate
20 level impact of +4.5%:
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- 22 • Segmentation changes;
- 23 • Discount changes;
- 24 • Endorsement changes;
- 25 • Capping provision changes;
- 26 • Rate group table updates; and
- 27 • Base rate changes for off-balancing purposes; and
28

29 **WHEREAS** the filing was sent to the Board’s actuarial consultants, Oliver Wyman Limited (“Oliver
30 Wyman”), and a report of findings was filed on May 8, 2024; and

1 **WHEREAS** Oliver Wyman noted that it was unable to opine on a number of Intact's segmentation
2 and endorsement changes due to the lack of available data and found that Intact's overall rate
3 level impact of +4.5% should be further off-balanced unless additional support was provided; and
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5 **WHEREAS** Oliver Wyman found all of Intact's other proposed changes to be reasonable; and
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7 **WHEREAS** on May 13, 2024 Intact provided additional rationale and support for its proposed
8 segmentation changes, endorsement changes and off-balancing calculations in response to
9 Oliver Wyman; and
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11 **WHEREAS** Intact noted that its proposed changes were supported in accordance with the
12 requirements set out in the Board's Supplemental Filing Guidelines, were in the best interests of
13 insureds, and were consistent with changes already approved in other Atlantic provinces; and
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15 **WHEREAS** the Board is satisfied that the proposed changes are supported in accordance with the
16 Supplemental Filing Guidelines; and
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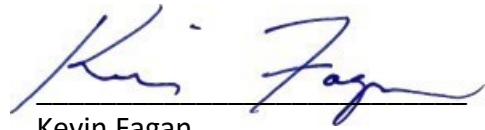
18 **WHEREAS** the Board accepts Intact's proposed rating program changes including the
19 segmentation changes, discount changes, endorsement changes, capping provision changes, rate
20 group table updates and base rate changes; and
21

22 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
23 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
24 financial circumstances of the insurer, and do not violate the **Automobile Insurance Act** or the
25 **Insurance Companies Act** or the respective regulations thereunder.
26
27

28 **IT IS THEREFORE ORDERED THAT:**
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- 30 1. The amended rating program changes received on April 23, 2024 from Intact Insurance
31 Company for its Private Passenger Automobiles category of automobile insurance is approved
32 to be effective no sooner than August 9, 2024 for new business and September 9, 2024 for
33 renewals.

DATED at St. John's, Newfoundland and Labrador, this 21st day of May, 2024.



Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Executive Director and Board Secretary