NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. A.I. 44(2026)

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

IN THE MATTER OF an application by Intact Insurance Company for approval of a revised rating program for its Private Passenger Automobiles category of automobile insurance.

WHEREAS on April 17, 2026 Intact Insurance Company ("Intact") applied to the Board under the Mandatory filing option for approval to implement a revised rating program for its Private Passenger Automobiles category of automobile insurance; and

WHEREAS Intact filed an overall average rate level indication of +15.9% and proposed an overall average rate level change of +15.0%; and

WHEREAS Intact proposed the following rating program changes:

- Base rate changes by coverage, uniform by territory; and
- Adoption of the 2026 CLEAR Rate Group Table; and

WHEREAS the rate filing was forwarded to the Board's actuarial consultants, Risk Consulting Services, Inc. ("RCS"), for review and report; and

WHEREAS on July 6, 2026 RCS filed a report of findings with the Board which identified key areas of the filing for the Board's consideration; and

WHEREAS on July 14, 2026 Intact filed comments in response to RCS; and

WHEREAS on July 23, 2026 RCS filed a report addendum to address Intact's comments; and

WHEREAS on July 29, 2026 Intact confirmed that it had no further comments; and

WHEREAS RCS found Intact's proposed adoption of the 2026 CLEAR Rate Group Table to be reasonable; and

WHEREAS RCS identified issues with Intact's rate analysis assumptions for loss trend rates, inflation adjustment, experience period weights and complement of credibility, and noted that substituting alternative assumptions it found more reasonable than those used by Intact would result in an alternative overall rate level indication of +10.8%; and

WHEREAS Intact filed commentary and additional support in response to the issues identified by RCS and continued to find its proposed rate level change of +15.0% to be reasonable in the circumstances; and

WHEREAS the Board finds Intact's proposed adoption of the 2026 CLEAR Rate Group Table to be reasonable; and

WHEREAS the Board acknowledges that a wide range of outcomes are possible in any prospective ratemaking exercise and that the variance in the overall rate level indications produced by Intact and RCS result from differing actuarial judgements and assumptions; and

WHEREAS the Board finds that Intact provided sufficient rationale and support for its loss trend rates, inflation adjustment and experience period weights; and

WHEREAS the Board finds that Intact failed to adequately justify its complement of credibility and is not satisfied that the proposed rates are just and reasonable in the circumstances based on the evidence filed.

<u>IT IS THEREFORE ORDERED THAT:</u>

1. The application is denied.

2. Intact Insurance Company must file a revised rate proposal for its Private Passenger Automobiles class of business reflecting the findings of the Board as set out in the Reasons for Decision to be issued separately.

DATED at St. John’s, Newfoundland and Labrador, this 11th day of September, 2026.

Kevin Fagan
Chair and Chief Executive Officer

John O’Brien, FCPA, FCA, CISA
Commissioner

Christopher Pike, LL.B., FCIP
Commissioner

Jo-Anne Galarneau, LL.B., ICD.D
Commissioner

Colleen Jones
Assistant Board Secretary