



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: [bwicks@wrmmmlaw.com](mailto:bwicks@wrmmmlaw.com)

2018-01-19

Mr. D. Bradford L. Wicks, Q.C.  
P.O. Box 5236  
Paramount Building, 5<sup>th</sup> Floor  
34 Harvey Road  
St. John's, NL A1C 5W1

Dear Mr. Wicks:

**Re: 2017 Automobile Insurance Review – Work Plan**

This is in reply to your December 15, 2017 correspondence regarding the Board's Work Plan for the 2017 Automobile Insurance Review.

This Work Plan was established by the Board at the beginning of the review to provide a framework for the approach that would be followed to gather the required information, complete the required studies, and receive input from stakeholders. As the matter progresses more detailed information related to the review, including the process and timelines, will be available.

In your correspondence you raise concerns in relation to three aspects of the Work Plan: the focus of the review, how the implications of a minor/mild injury cap on claimants will be addressed, and whether investment income will be addressed in the profitability review.

In relation to your concern that the review appears to be focused on the issue of increases in Third Party Liability claims costs and premiums, the Board can confirm that available information in relation to claims costs and premium trends for all automobile insurance coverages will be reviewed.

On the issue of how the implications on claimants of a monetary cap on claims for non-economic loss for minor/mild injuries will be addressed, the Board anticipates that this will be a significant issue in this review. The cost implications and impact on premiums of various levels of minor injury caps and deductibles will be examined as part of the closed claim study, as will the percentage of claimants that would have been subjected to a monetary cap based on the nature of reported injuries. Additional information and perspectives may be provided to the Board in relation to this issue at any point in the review process.

Lastly the Board confirms that the profitability review will examine industry profit on a coverage by coverage basis and will address both underwriting and investment income on an accident and calendar year basis.

The Board thanks you for your input and trusts this response addresses your concerns at this time. If you have any further concerns or questions please feel free to contact Ryan Oake at roake@pub.nl.ca or via telephone at 709 726 -1097.

Sincerely,



Cheryl Blundon  
Board Secretary

CB/rr