

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

AN ORDER OF THE BOARD

NO. A.I. 12(2014)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, (the “*Act*”),
3 as amended and regulations thereunder; and
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5 **IN THE MATTER OF** an application by
6 Intact Insurance Company for approval to
7 implement revised rates for its Commercial
8 Automobiles class of business.
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11 **WHEREAS** on May 30, 2014 Intact Insurance Company applied to the Board for approval of a
12 revised automobile insurance rating program for its Commercial Automobiles class of business;
13 and
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15 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
16 the Board for certain coverages; and
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18 **WHEREAS** on July 17, 2014 the Board’s actuarial consultants, Oliver Wyman Limited, filed a
19 report of findings with the Board which identified key areas of the filing for the Board’s
20 consideration; and
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22 **WHEREAS** based on the record the Board finds that several proposed changes have not been
23 fully justified; and
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25 **WHEREAS** the Board accepts Intact Insurance Company’s proposals for its Commercial
26 Automobiles rating program with the exception of: (1) the expense provision, (2) the return on
27 equity, (3) the Health Levy, (4) the specified perils rates, and (5) the multi-policy discount; and
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29 **WHEREAS** Intact Insurance Company may file a revised rate proposal for its Commercial
30 Automobiles class of business reflecting the findings of the Board as set out in the Reasons for
31 Decision to be issued separately.

1 **IT IS THEREFORE ORDERED THAT:**

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1. The application is denied.
2. Intact Insurance Company will be required to pay the costs of the Board associated with this filing, including the costs of the actuarial review.

DATED at St. John's, Newfoundland and Labrador, this 30th day of October 2014.

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

Cheryl Blundon
Board Secretary