

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

AN ORDER OF THE BOARD

NO. A.I. 14(2015)

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

5 **IN THE MATTER OF** an application by
6 Novex Insurance Company for approval to
7 implement a revised rating program for its Private
8 Passenger Automobiles class of business.
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10 **WHEREAS** on March 2, 2015 Novex Insurance Company applied to the Board for approval of
11 revised rating program for its Private Passenger Automobiles class of business; and
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13 **WHEREAS** the proposed rates are higher than those currently approved by the Board; and
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15 **WHEREAS** on April 13, 2015 the Board’s consulting actuaries, Oliver Wyman Limited
16 (“Oliver Wyman”), filed a report of findings with the Board which identified key areas of the
17 filing for the Board’s consideration; and
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19 **WHEREAS** on April 14, 2015 the Oliver Wyman report was provided to Novex Insurance
20 Company for comments; and
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22 **WHEREAS** on April 17, 2015 Novex Insurance Company filed an amendment to its revised
23 rating program in response to the Oliver Wyman report; and
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25 **WHEREAS** based on the record the Board finds that several proposals used by Novex Insurance
26 Company in calculating its rate level indications have not been fully justified; and
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28 **WHEREAS** the Board accepts Novex Insurance Company’s proposals for its Private Passenger
29 Automobiles rating program with the exception of the health levy and the profit provision; and

1 **WHEREAS** the proposed rate level changes by coverage filed by Novex Insurance Company on
2 April 17, 2015 are significantly less than the rate level indications by coverage; and

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4 **WHEREAS** substituting alternative assumptions for the health levy and the profit provision
5 based on the Board's Filing Guidelines will not reduce the rate indications below the proposed
6 rates; and

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8 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.

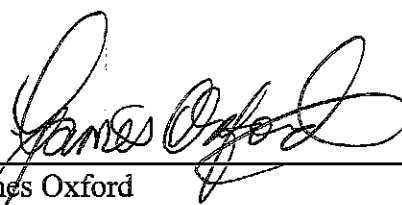
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10 **IT IS THEREFORE ORDERED THAT:**

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12 1. The revised rating program received April 17, 2015 from Novex Insurance Company is
13 approved to be effective no sooner than July 15, 2015 for new business and renewals.
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15 2. Novex Insurance Company will be required to pay the costs of the Board associated with this
16 filing, including the costs of the actuarial review.

DATED at St. John's, Newfoundland and Labrador, this 1st day of May 2015.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary