

A.I. 11 (2002-2003)

IN THE MATTER OF THE AUTOMOBILE
INSURANCE ACT, CHAPTER A - 22,
R.S.N. 1990

AND

IN THE MATTER OF AN APPLICATION BY
Economical Insurance Group on behalf of
Federation Insurance Company of Canada
TO IMPLEMENT REVISED RATES FOR
ITS PRIVATE PASSENGER AND COMMERCIAL
CLASSES OF BUSINESS

WHEREAS, by application received March 20, 2002, Economical
Insurance Group on behalf of Federation Insurance Company of Canada applied to the
Board for approval to implement a revised rating program for its Private Passenger and
Commercial classes of business, and

WHEREAS, the Board, after due examination and analysis of the
proposed rating program, finds that it conforms with the 2001 Benchmarks and should be
approved as filed.

IT IS THEREFORE ORDERED THAT:

1. Order No. A.I. 58 (2001-2002) be and it is hereby rescinded.

2. Approval be and it is hereby granted Federation Insurance Company of Canada for the implementation of a revised rating program for its Private Passenger and Commercial classes of business with base rates as follows:

| Territory | Private Passenger | | | Commercial |
|---------------------|-------------------|--------|--------|------------|
| | 1 | 2 | 3 | All |
| Third Party | \$ 765 | \$ 409 | \$ 300 | \$ 584 |
| Collision | \$ 199 | \$ 244 | \$ 256 | \$ 197 |
| Comprehensive | \$ 113 | \$ 91 | \$ 108 | \$ 127 |
| Specified Perils | \$ 28 | \$ 16 | \$ 15 | \$ 51 |
| Accident Benefits | \$ 49 | \$ 49 | \$ 49 | \$ 18 |
| Uninsured Motorists | \$ 19 | \$ 10 | \$ 7 | \$ 6 |
| All Perils | \$ 288 | \$ 315 | \$ 341 | \$ 283 |

and differentials as submitted with this filing.

3. The following discounts are approved for use with the company's private passenger rating program:

| | | | |
|------|------------------|------|---|
| i. | multi-vehicle | 10% | Third Party Liability, Collision, and All Perils Classes 01, 02, 03, and 07, only |
| ii. | age | 5% | Third Party Liability, Collision, All Perils and Comprehensive, Specified Perils |
| iii. | farmer | 25% | Third Party Liability |
| | | 40% | Collision, Comprehensive, Specified Perils, and All Perils Classes 03, 08, and 09 |
| iv. | short commute | 11% | Third Party Liability - Territory 1 |
| | | 3.9% | Third Party Liability - Territory 2 and 3 |
| | | 8.2% | Collision – Territory 1 |
| | | 9.5% | Collision – Territory 2 and 3 |
| v. | unison | 5% | Third Party Liability, Collision, All Perils and Comprehensive, Specified Perils |

4. These rates shall be effective from June 1, 2002 for new business, and July 1, 2002 for renewals.

Dated at St. John's, Newfoundland and Labrador, this 2nd day of May, 2002.

Robert Noseworthy
Chairperson & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chairperson

Barbara Thistle
Assistant Board Secretary