

A.I. 32 (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 October 1, 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 Order No. A.I. 11 (2002-2003) be and it is hereby rescinded.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	\$ 865.00	\$ 426.00	\$ 326.00	\$ 613.00
Collision	244.00	290.00	331.00	207.00
Comprehensive	113.00	91.00	108.00	133.00
Specified Perils	32.00	17.00	16.00	54.00
Accident Benefits	54.00	54.00	54.00	19.00
Uninsured Motorists	21.00	11.00	8.00	6.00
All Perils	333.00	361.00	416.00	297.00

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 January 1, 2003 for new business, and February 1, 2003 for renewals.

Dated at St. John's, Newfoundland and Labrador, this 4th day of December, 2002.

Robert Noseworthy
Chairperson & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chairperson

Cheryl Blundon
Board Secretary