

MEDIA ADVISORY

October 25, 2004

12:30 PM

Board of Commissioners of Public Utilities

NOTICE OF HEARING

OCTOBER 26, 2004

Review of the 2005 Automobile Insurance Benchmarks

The Board of Commissioners of Public Utilities (the "Board") advises that the public hearing for the review of the 2005 Automobile Insurance Benchmarks is set to begin on Tuesday, October 26, 2004 at 9:30am in the Board's Hearing Room Suite E-210, Prince Charles Building, 120 Torbay Road, St. John's. The purpose of this hearing will be to examine the benchmarking process and methodologies used by the Board in regulating automobile insurance rates in the Province. This public hearing is being called by the Board under its own regulatory authority.

Notice of the hearing was published October 9, 2004 and contains information on how interested parties can participate in the process by way of submitting a letter of comment or making an oral presentation to the Board.

Registered intervenors identified in this hearing include the Insurance Brokers of Canada and the Consumer Advocate. In addition there are also a number of interested parties who have expressed their interest in participating in this hearing.

A copy of hearing related information can be viewed on the Board's website at www.pub.nl.ca or by contacting the Board Secretary as indicated below.

Please be further advised that a public hearing into automobile insurance in accordance with the Terms of Reference released by Government on October 18th, 2004 will be scheduled at a later date following the completion of a Closed Claims Study. This Study which is currently underway will up-date cost information on Third Party Liability claims for bodily injury involving both private passenger and commercial automobiles. Once this Study is completed a public hearing will address the impact on rates of limiting claims for pain and suffering relating to minor injury with the introduction of options such as a deductible, a monetary cap and/or choice when purchasing liability coverage. This hearing will also review other issues impacting automobile insurance rates including the elimination of age, gender and marital status as rating factors. This particular hearing will be scheduled in early 2005 with the notice date to be determined depending on completion of the Closed Claims Study. Notice of this hearing will be advertised throughout the Province based on the normal practices of the Board.

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