



BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**NOTICE OF APPLICATION
and
PRE-HEARING CONFERENCE**

NOVEMBER 5, 2002

**FACILITY ASSOCIATION
APPLICATION FOR PRIVATE PASSENGER
AND COMMERCIAL
AUTOMOBILE INSURANCE RATES**

TAKE NOTICE that on September 9, 2002, the Newfoundland and Labrador Board of Commissioners of Public Utilities (the Board) received an application from the Facility Association (Facility), seeking an increase in rates charged to private passenger and commercial automobile insurance policy holders insured through the Facility Association mechanism in all areas of the province. Facility is the unincorporated non-profit association of insurers required by law to provide automobile insurance to those drivers who are otherwise unable to obtain insurance. Facility is referred to as the market of last resort for drivers who have been declined automobile insurance coverage by individual insurers.

AND FURTHER TAKE NOTICE that anyone currently insured through the Facility Association mechanism may be affected by the proposed increases. In the application Facility has requested an order of the Board pursuant to Section 102 of the Insurance Companies Act (the Act):

- i) **Approving an increase in automobile insurance rates for the private passenger class of business insured through Facility as outlined below:**

Private Passenger Automobile Insurance Proposed Average Rate Level Changes							
Rating Territory*	Liability	Accident Benefits	Uninsured Auto	Collision	Comprehensive	Specified Perils	All Coverage Combined
1 (004)	+60.5%	+13.8%	+45.8%	-1.3%	-12.1%	-22.8%	+51.6%
2 (005, 007)	+38.4%	+13.8%	+45.8%	-12.0%	-19.7%	-20.6%	+28.1%
3 (006)	+54.0%	+13.8%	+45.8%	+5.4%	-1.8%	-4.1%	+37.7%
All	+51.7%	+13.8%	+45.8%	-5.5%	-14.1%	-20.5%	+41.3%

- ii) **Approving an increase in automobile insurance rates for the commercial class of business insured through Facility as outlined below:**

Commercial Automobile Insurance Proposed Average Rate Level Changes							
Rating Territory*	Liability	Accident Benefits	Uninsured Auto	Collision	Comprehensive	Specified Perils	All Coverage Combined
1 (004)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
2 (005, 007)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
3 (006)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
All	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%

***The provincial rating territories are generally defined as follows:**

Territory 1 consists of the Avalon Peninsula East of and including Ship Harbour and Old Shop.

Territory 2 consists of the Island portion of the province excluding Territory 1

Territory 3 consists of the Labrador portion of the province

HOW TO SEE THE APPLICATION

Copies of the application and documentation filed to date are available by request to the Board Secretary at the address below.

THE PRE-HEARING CONFERENCE

The Board will convene a pre-hearing conference beginning at **9:30 A.M. on Tuesday, November 5, 2002**, in the Board's Hearing Room, Prince Charles Building, 120 Torbay Road, St. John's. The pre-hearing conference is designed to:

1. Identify intervenors and other interested parties;
2. Provide focus to the issues to be heard;
3. Set the date and location of the hearing into the application;
4. Establish the procedures to be followed during the hearing;
5. Set the timetable for pre-filing of evidence, issuance of information requests, filing of responses and other submissions to the Board;
6. Any other matters which may come before the Board.

HOW TO PARTICIPATE IN THE PROCEEDING

The matter will be heard in accordance with the procedures of the Board, which are set out in *Newfoundland Regulation 39/96* (“the Regulations”) with respect to the filing of evidence, requests for information, and other matters relating to the proceeding. Any interested person or organization can participate in the proceeding in one of three ways, as follows:

- 1) **Intervenor Submission** - Any person wishing to be made a party to the proceeding must apply by way of an Intervenor’s Submission to the Board, as set out in section 9 of the Regulations. This submission should concisely state the interest such person has in the Application, the facts and reasons which will be entered as evidence (together with any supporting documentation) and the disposition of the proceedings which the Intervenor advocates. **Intervenor Submissions must be received by the Board before 4:30 P.M, Friday, November 1, 2002.**
- 2) **Oral Presentation** - Any interested person who does not wish to intervene to become a party in the proceeding, but who wishes to make a presentation to the Board, may request the opportunity to make an Oral Presentation. Persons or organizations interested in making an Oral Presentation must write the Board outlining their interest in the proceeding, along with their address and telephone number. **Oral Presentation requests must be received by the Board before 4:30 P.M, Friday, November 1, 2002.**
- 3) **Letters of Comment** - Any interested person who does not wish to intervene or make an Oral Presentation may file a Letter of Comment for the consideration of the Board in this proceeding. All Letters of Comment must clearly state the person’s interest in the proceeding, together with their comments and other relevant documentation. The Board will accept all Letters of Comment received before the closing day of the hearing.

HOW TO CONTACT THE BOARD

All correspondence and requests for further information should be addressed to the Board Secretary at the address set out below. The Board encourages the electronic filing of documents and the Board's Information Technology Officer is available to support this type of filing at 709-726-1158; toll free 1-866-782-0006; or by e-mail at: ito@pub.nf.ca

Copies of the Board's legislation and regulations are available for viewing on the Board's website at www.pub.nf.ca or at the Board's office.

Office: Suite E210, Prince Charles Building, 120 Torbay Road, St. John's

By mail: P.O. Box 21040, St. John's, NF, A1A 5B2

By telephone: 709-726-8600; 1-866-782-0006

By facsimile: 709-726-9604

By e-mail: ito@pub.nf.ca.

Dated at St. John's, Newfoundland, this 9th day October 2002.

Cheryl Blundon
Board Secretary

INSERTIONS:

The Evening Telegram – October 16, 2002

The Western Star – October 16, 2002

The Shoreline- CBS – 1 insertion

Robinson Blackmore Papers – 1 insertion:

The Express-St. John's

The Compass-Carbonear

The Packet-Clareville

The Southern Gazette-Marystown

The Beacon-Gander

The Pilot-Lewisporte

The Advertiser-GrandFalls -Windsor

The Nor-Wester-Springdale

The Coaster-Harbour Breton

The Humber Log-Corner Brook

The Georgian-Stephenville

The Gulf News-Port aux Basques

The Labradorian-HappyValley-GooseBay

The Aurora-LabradorCity-Wabush

The Charter-Placentia

The Northern Pen - St. Anthony