

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

**AN ORDER OF THE BOARD**

**NO. A.I. 1(2017)**

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 Intact Insurance Company for approval  
7 to implement a revised rating program  
8 for its Private Passenger Automobiles  
9 class of business.  
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11  
12 **WHEREAS** on December 7, 2016 Intact Insurance Company applied to the Board for approval  
13 of a revised rating program for its Private Passenger Automobiles class of business; and  
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15 **WHEREAS** on January 25, 2017 the Board’s consulting actuaries, Oliver Wyman Limited, filed  
16 a report of findings with the Board; and  
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18 **WHEREAS** on February 10, 2017 Intact Insurance Company filed comments and an amended  
19 application in response to the Oliver Wyman report; and  
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21 **WHEREAS** on February 13, 2017 Intact Insurance Company filed amendments to its proposed  
22 rates based on information exchanges with the Board’s consulting actuaries, Oliver Wyman  
23 Limited; and  
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25 **WHEREAS** on February 17, 2017 Oliver Wyman Limited filed a supplemental report on the  
26 amended application; and  
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28 **WHEREAS** based on the record the Board finds that some proposals used by Intact Insurance  
29 Company in calculating its rate level indications have not been fully justified; and  
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31 **WHEREAS** the Board accepts Intact Insurance Company’s proposals for its Private Passenger  
32 Automobiles rating program with the exception of (1) the selection of ultimate losses, (2) the  
33 claims payment pattern, (3) the complement of credibility, and (4) the profit provision; and  
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35 **WHEREAS** substituting alternative assumptions for the selection of ultimate losses, the claims  
36 payment pattern, the complement of credibility and the profit provision will not reduce the rate  
37 indications below the proposed rates; and

1 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.  
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4 **IT IS THEREFORE ORDERED THAT:**  
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- 6 1. The revised rating program received February 13, 2017 from Intact Insurance Company is  
7 approved to be effective no sooner than April 19, 2017 for new business and May 19, 2017  
8 for renewals.  
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10 2. Intact Insurance Company will be required to pay the costs of the Board associated with this  
11 filing, including the costs of the actuarial review.

**DATED** at St. John's, Newfoundland and Labrador, this 3<sup>rd</sup> day of March 2017.



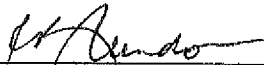
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Darlene Whalen, P.Eng.  
Vice-Chair



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James Oxford  
Commissioner



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Cheryl Blundon  
Board Secretary