

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

AN ORDER OF THE BOARD

NO. A.I. 6(2017)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, as
3 amended (the “*Act*”); and
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5 **IN THE MATTER OF** an application by
6 Facility Association for approval of revised
7 rates for its Newfoundland and Labrador
8 Garage class of business.
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11 **WHEREAS** on January 31, 2017 Facility Association applied to the Board for approval of a
12 revised rating program for its Newfoundland and Labrador Garage class of business; and
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14 **WHEREAS** on March 3, 2017 the Board’s consulting actuaries, Oliver Wyman Limited
15 (“Oliver Wyman”), filed a report of findings (the “Oliver Wyman Report”) which identified
16 areas for consideration for the Board; and
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18 **WHEREAS** on March 6, 2017 the Oliver Wyman Report was provided to Facility Association
19 for comments; and
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21 **WHEREAS** on March 13, 2017 Facility Association filed comments in response to the Oliver
22 Wyman Report; and
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24 **WHEREAS** on March 16, 2017 Oliver Wyman provided a response to Facility Association’s
25 comments on the Oliver Wyman Report; and
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27 **WHEREAS** based on the record the Board finds that some proposals used by Facility
28 Association in calculating its rate level indications have not been fully justified; and
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30 **WHEREAS** the Board accepts Facility Association’s proposals for its Garage rating program
31 with the exception of the selected loss trend rates; and
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33 **WHEREAS** substituting alternative assumptions for the selected loss trend rates will not reduce
34 the rate indications below the proposed rates; and
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36 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.

1 **IT IS THEREFORE ORDERED THAT:**

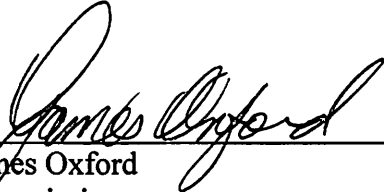
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1. The revised rating program received January 31, 2017 from Facility Association for its Garage class of business is approved to be effective no sooner than November 1, 2017 for new business and for renewals.
2. Facility Association shall pay the costs of the Board associated with this filing, including the costs of the actuarial review.

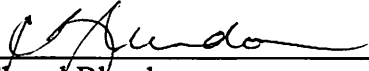
DATED at St. John's, Newfoundland and Labrador, this 20th day of July, 2017.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary