

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

AN ORDER OF THE BOARD

NO. A.I. 3(2020)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22,
3 as amended, and regulations thereunder;
4 and

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6 **IN THE MATTER OF** an application by
7 S&Y Insurance Company for approval to
8 implement a revised rating program for
9 its Private Passenger Automobiles
10 category of automobile insurance.

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13 **WHEREAS** effective January 1, 2020 changes to the *Automobile Insurance Act* and regulations
14 thereunder came into effect which included mandatory reforms of the automobile insurance
15 product; and

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17 **WHEREAS** the mandatory reforms included the introduction of Direct Compensation Property
18 Damage (“DCPD”) coverage for all vehicles and an increase in the deductible applicable to all
19 pain and suffering awards from \$2,500 to \$5,000; and

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21 **WHEREAS** on November 5, 2019 the Board implemented a simplified “Reform” filing option
22 and Reform Filing Guidelines to expedite the approval of the mandatory reform changes; and

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24 **WHEREAS** the Reform Filing Guidelines provide step-by-step procedures for splitting existing
25 Board approved Third Party Liability rates into rates for Bodily Injury, Property Damage-Tort and
26 DCPD sub-coverages as well as for reflecting the deductible increase into Bodily Injury rates; and

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28 **WHEREAS** on February 3, 2020 S&Y Insurance Company applied to the Board for approval of
29 a revised rating program under the Reform filing option for its Private Passenger Automobiles
30 category of automobile insurance; and

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32 **WHEREAS** on February 18, 2020 the Board’s actuarial consultants, Oliver Wyman Limited,
33 reported that the revised rating program is consistent with the Reform Filing Guidelines and is
34 supported; and

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1 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
2 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
3 financial circumstances of the insurer, and do not violate the *Automobile Insurance Act* or the
4 *Insurance Companies Act* or the respective regulations thereunder.

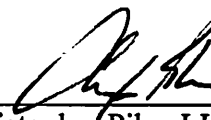
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7 **IT IS THEREFORE ORDERED THAT:**

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9 1. The revised rating program received February 3, 2020 from S&Y Insurance Company for its
10 Private Passenger Automobiles category of automobile insurance is approved to be effective
11 no sooner than July 1, 2020 for new business and for renewals.

DATED at St. John's, Newfoundland and Labrador, this 3rd day of March, 2020.



Darlene Whalen, P.Eng., FEC
Chair and Chief Executive Officer



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blandon
Board Secretary