NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. A.I. 65(2026)

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

IN THE MATTER OF an application by Aviva Insurance Company of Canada for approval to implement a revised rating program for its Private Passenger Automobiles category of automobile insurance.

WHEREAS on July 21, 2026 Aviva Insurance Company of Canada ("Aviva") applied to the Board for approval of a revised rating program under the Mandatory filing option for its Private Passenger Automobiles category of automobile insurance; and

WHEREAS Aviva filed an overall rate level indication of +11.0% and proposed an overall rate level change of +11.0%; and

WHEREAS Aviva proposed the following rating program changes:

- Base rate changes by coverage;
- Differentials changes;
- Discount changes; and
- Endorsements changes; and

WHEREAS the filing was sent to the Board's actuarial consultants, Risk Consulting Services, Inc. ("RCS") for review and report; and

WHEREAS on October 6, 2026 RCS filed a report of findings which identified issues with certain assumptions used by Aviva to estimate its overall rate level indication; and

WHEREAS RCS found Aviva's proposed overall rate level change of +11.0% to be unsupported, as substituting alternative assumptions it found to be more reasonable for large loss catastrophe loading, loss trends and complement of credibility resulted in an overall rate level indication of +1.9%, lower than that proposed by Aviva; and

WHEREAS RCS found Aviva's differentials changes, discount changes and endorsements changes to be reasonable; and

WHEREAS on October 13, 2026 Aviva responded to the RCS report; and

WHEREAS Aviva provided further justification for its bodily injury, accident benefits and collision loss trend selections; and

WHEREAS on November 3, 2026, in response to Aviva's comments, RCS submitted a report addendum and revised its overall alternative rate level indication to +3.2%; and

WHEREAS on November 12, 2026 Aviva revised its proposal to align with the revised overall RCS alternative indication, noting its motivation for doing so is predominantly related to the timely implementation of rates; and

WHEREAS the Board acknowledges that a wide range of outcomes are possible in any prospective ratemaking exercise and that the variance in the overall rate level indications produced by Aviva and RCS result primarily from differing actuarial judgements on a number of rate analysis assumptions; and

WHEREAS the Board does not consider Aviva's alignment with the RCS revised overall alternative indication as support for the inclusion of residual rate level inadequacy in future filings; and

WHEREAS the Board is satisfied that Aviva has provided adequate support for its proposed overall rate level change of +3.2% and that it falls within the range of reasonable outcomes in the prospective ratemaking exercise; and

WHEREAS the Board accepts Aviva's proposed differentials changes, discount changes and endorsements changes; and

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

IT IS THEREFORE ORDERED THAT:

1. The revised rating program received November 12, 2026 from Aviva Insurance Company of Canada for its Private Passenger Automobiles category of automobile insurance is approved to be effective no sooner than May 15, 2027 for new business and renewals.

DATED at St. John's, Newfoundland and Labrador, this 25th day of November, 2026.

John O'Brien, FCPA, FCA, CISA
Commissioner

Christopher Pike, LL.B., FCIP
Commissioner

Jo-Anne Galarneau, LL.B., ICD.D
Commissioner

Mike McNiven
Board Secretary