



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador  
Canada, A1A 5B2

**DIRECTIVE A.I. 2015-02**

**ISSUED:** April 13, 2015

**TO:** All insurers, including Facility Association, transacting the business of automobile insurance in the province of Newfoundland and Labrador

**SUBJECT:** 2015 CLEAR Rate Group Table

The Board advises that the 2015 CLEAR rate group table has been accepted for use by insurers writing automobile insurance business in the Province. Companies wishing to adopt the 2015 CLEAR rate group table can do so by making a CLEAR Category 1 Simplified filing where the requirements outlined below are met:

- 1) Where the filing company is currently using the 2013 CLEAR rate group table and **HAS** submitted for the Board's review a full Category 2 actuarially justified filing with a renewal effective date within 9 months prior to the issuance of **A.I. 2015-02** the 2015 CLEAR rate group table may be adopted without base rate adjustments.
- 2) Where the filing company is currently using the 2013 CLEAR rate group table but **HAS NOT** submitted for the Board's review a full Category 2 actuarially justified filing with a renewal effective date within 9 months prior to the issuance of **A.I. 2015-02** the following base rate adjustment factors may be applied:

Coverage	Rate Group Drift	Loss Trend	Base Rate Adjustment 2013 CLEAR to 2015 CLEAR
<b>Collision</b>	+3.10%	+7.0%	+3.4%
<b>Comprehensive</b>	+3.76%	+5.0%	+0.9%
<b>Specified Perils</b>	+3.76%	+5.0%	+0.9%
<b>All Perils</b>	+3.30%	+6.5%	+2.8%
<b>Accident Benefits</b>	+0.72%	+5.0%	+4.0%

Insurers that do not wish to use the Board's base rate adjustment factors may provide a detailed calculation of their own factors using company specific experience. Adjustments other than those provided in the table above will be subject to review by the Board's actuarial consultants.

- 3) Where the filing company is using a rate group table older than 2013 CLEAR, the 2015 CLEAR rate group table may be adopted by applying an annual base rate adjustment for each year in which the table was not updated by the company. In such cases, direct contact with the Board's actuarial consultants is recommended prior to filing to determine the appropriate base rate adjustment factors to be used.

Please note that CLEAR base rate adjustments factors which result in rate decreases are mandatory by the Board and must be applied in accordance with the above requirements. Base rate adjustments which result in rate increases are optional and may be applied at the discretion of the insurer in accordance with the above requirements.

Updates to the CLEAR rate group table can also be processed as part of a comprehensive Category 2 actuarially justified filing. This method must be selected if the company wishes to make changes to rating elements other than the rate group table that will result in any increase in any rate for any insured.

Insurers are strongly encouraged to update to the most recent CLEAR rate group table as soon as possible. Should you have any questions regarding this matter please contact Mr. Ryan Oake, Regulatory Analyst, at [roake@pub.nl.ca](mailto:roake@pub.nl.ca).

Yours truly,



Cheryl Blundon  
Board Secretary