

1 **A.I. 13 (2006)**

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4 **IN THE MATTER OF** THE *Automobile,*
5 *Insurance Act*, R.S.N.L. 1990, c. A-22, as
6 amended (the “*Act*”)
7

8 **AND**
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10 **IN THE MATTER OF** an application by
11 Insurance Corporation of Newfoundland
12 (the “Applicant”) to implement revised rates
13 for its Private Passenger class of business.
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16 **WHEREAS** on October 27, 2005 the Applicant submitted for the Board’s review and
17 decision a Category 2 automobile insurance rate filing;
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19 **WHEREAS** on March 30, 2006, following review by the Board of the supporting
20 material, responses to information requests, consultants’ reports and all other information
21 relevant to the filing, the Board issued Order No. A.I. 6 (2006);
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23 **WHEREAS** Order No. A.I. 6 (2006) set out the Board’s findings in respect to the filing
24 denying the applicant’s requested driver experience discount and requiring the Applicant to
25 resubmit a revised rate proposal based on indications flowing from the findings of the Board;
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27 **WHEREAS** on April 12, 2006, the Applicant resubmitted its rate proposal based on the
28 Board’s findings and resubmitted its mature driver and driver experience discounts;

WHEREAS on April 26, 2006, the Applicant revised its April 12, 2006 submission to address certain actuarial issues;

WHEREAS on April 27, 2006 the Board's actuarial consultants reported that the revised rate proposal was based on the factors and parameters determined by the Board to be reasonable and supported by the information submitted in connection with the filing;

WHEREAS the Board is satisfied that the revised rate proposal reflects rates no higher than justified on the basis of the available information; and

WHEREAS the Board is satisfied that the proposed changes to the applicant's mature driver and driver experience discounts are reasonable and in compliance with legislation and regulation.

IT IS THEREFORE ORDERED THAT:

1. The revised rate proposal received by the Board on April 26, 2006 is approved with base rates as follows:

Coverage	Territory 1	Territory 2	Territory 3
Third Party Liability	\$859.53	\$533.77	\$415.86
Collision	\$128.22	\$136.35	\$155.68
Comprehensive	\$82.94	\$66.49	\$80.31
Specified Perils	\$30.72	\$17.07	\$15.70
All Perils	\$190.07	\$185.93	\$215.57
Accident Benefits	\$98.47	\$98.47	\$98.47
Uninsured Motorist	\$20.00	\$10.00	\$7.00

- 1 2. The base rates for each type of coverage shall be effective for new and renewal business
2 no sooner than May 15, 2006 and no later than July 17, 2006.
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4 3. Notwithstanding Clause 2 above, in cases where a rate decreases as a result of this Order
5 or where otherwise prescribed by legislation, the decreased rate shall be considered to be
6 effective as of August 1, 2005 as set out in legislation.
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8 4. The revised discount program as it relates to the Driving Experience Discount and the
9 Mature Driver Discount as set out in the Company's revised submission dated April 26,
10 2006 is approved for use.

DATED at St. John's, Newfoundland and Labrador, this 2nd day of May 2006.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary