

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

AN ORDER OF THE BOARD

NO. A.I. 15(2021)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22,
3 as amended, and regulations
4 thereunder; and
5

6 **IN THE MATTER OF** an application
7 by Facility Association for approval
8 to adopt the 2021 CLEAR rate group
9 table for its Private Passenger
10 Vehicles category of
11 automobile insurance.
12
13

14 **WHEREAS** on May 7, 2021 Facility Association applied to the Board for approval to adopt the
15 2021 CLEAR rate group table for its Private Passenger Vehicles category of automobile insurance;
16 and
17

18 **WHEREAS** Facility Association proposed to apply its own CLEAR base rate adjustment factors
19 rather than using the Board's benchmark adjustments; and
20

21 **WHEREAS** the proposed base rates changes were intended to off-balance the impact of the 2021
22 CLEAR rate group table and achieve a revenue neutral status; and
23

24 **WHEREAS** a copy of the filing was sent to the Board's actuarial consultants, Oliver Wyman
25 Limited ("Oliver Wyman") for review; and
26

27 **WHEREAS** on May 12, 2021 Oliver Wyman reported that the proposed base rate changes were
28 reasonable in the circumstances; and
29

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

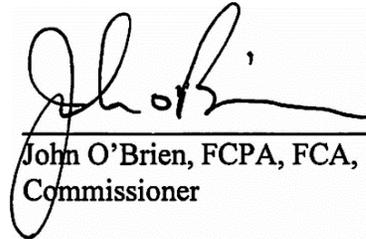
1 **IT IS THEREFORE ORDERED THAT:**
2

- 3 1. The proposal received May 7, 2021 from Facility Association for its Private Passenger
4 Vehicles category of automobile insurance is approved to be effective no sooner than
5 September 1, 2021 for new business and renewals.

DATED at St. John's, Newfoundland and Labrador, this 20th day of May, 2021.



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



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary