

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

AN ORDER OF THE BOARD

NO. A.I. 16(2021)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22,
3 as amended, and regulations
4 thereunder; and
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6 **IN THE MATTER OF** an application
7 by CUMIS General Insurance Company
8 for approval to implement a revised
9 rating program for its Private Passenger
10 Automobiles category of automobile
11 insurance.
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14 **WHEREAS** on April 7, 2021 CUMIS General Insurance Company (“CUMIS”) applied to the
15 Board for approval of a revised rating program under the Mandatory filing option for its Private
16 Passenger Automobiles category of automobile insurance; and
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18 **WHEREAS** CUMIS filed an overall rate level indication of +2.5% and proposed an overall rate
19 level change of +1.8%; and
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21 **WHEREAS** CUMIS also proposed to adopt the 2021 CLEAR rate group tables; and
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23 **WHEREAS** on May 6, 2021 the Board's actuarial consultants, Oliver Wyman Limited (“Oliver
24 Wyman”), filed a report of findings with the Board; and
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26 **WHEREAS** Oliver Wyman identified areas for the Board’s consideration with respect to CUMIS’
27 assumptions for premium trend factors and profit provision; and
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29 **WHEREAS** Oliver Wyman reported that substituting alternative assumptions that it found to be
30 more reasonable and in accordance with the Board’s filing guidelines would result in an overall
31 rate level indication that is effectively the same as calculated by CUMIS; and
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33 **WHEREAS** on May 14, 2021 CUMIS filed a response to the Oliver Wyman report which
34 provided additional rationale and support for its selected assumptions; and

1 **WHEREAS** the Board notes that CUMIS' proposed overall rate level change of +1.8% is within
2 the range of reasonableness established by the analyses conducted by CUMIS and Oliver Wyman;
3 and
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5 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
6 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
7 financial circumstances of the insurer, and do not violate the *Automobile Insurance Act* or the
8 *Insurance Companies Act* or the respective regulations thereunder.
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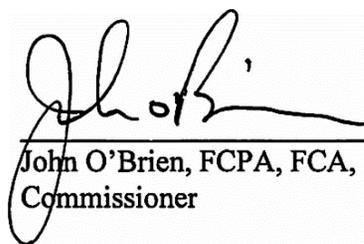
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11 **IT IS THEREFORE ORDERED THAT:**
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- 13 1. The revised rating program received on April 7, 2021 from CUMIS General Insurance
14 Company for its Private Passenger Automobiles category of automobile insurance is approved
15 to be effective no sooner than October 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