

PRESS RELEASE

FACILITY ASSOCIATION AUTOMOBILE INSURANCE RATES APPROVED BY PUBLIC UTILITIES BOARD

The Public Utilities Board (PUB) today announced the results of its decisions arising from a public hearing held earlier in the year into an application from the Facility Association (FA) regarding automobile insurance rates. As required by law, the FA provides private passenger and commercial automobile insurance generally to drivers who, but for the existence of the fund, would be unable to obtain automobile insurance.

Details on these approved rates are attached. Overall rate adjustments are as follows:

Private Passenger

The FA in its application sought a combined overall coverage rate increase of 41.3% while the PUB approved 31.4%. Effective September 1st, 2003, consumers will experience an added rate increase to 34.8% due to the change in effective date of the increase, originally scheduled for February 1st, 2003.

Commercial

The FA in its application sought a combined all coverage rate increase of 48.3% which was approved by the PUB. Effective September 1st, 2003, drivers will experience an added rate increase to 56.7%, again due to the change in the effective date of the increase originally scheduled for February 1st, 2003.

It should be noted that the above increases are based on all coverages combined and actual increases or decreases will depend on the precise coverage an individual driver maintains.

Private Passenger rates are also subject to a 20% Accident/Conviction free discount previously approved by the Board for those drivers who qualify.

Beginning in October, the Board will also be requiring statistical and other information on the demographics, vehicle and operating characteristics of drivers comprising the FA market. This information will be supplied by the FA on a monthly basis and will be used to improve the database available to the PUB for its operations.

A copy of the Decision and Board Order No. A.I. 20 (2003) can be viewed on the Board's website at www.pub.nf.ca.

Attachment

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Private Passenger

Table 1

Facility Association Requested Rate Changes For Effect February 1, 2003							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	+60.5%	+13.8%	+45.8%	-1.3%	-12.1%	-28.2%	+51.6%
2 (005, 007)	+38.4%	+13.8%	+45.8%	-12.0%	-19.7%	-26.1%	+28.1%
3 (006)	+54.0%	+13.8%	+45.8%	+5.4%	-1.8%	-27.7%	+37.7%
All	+51.7%	+13.8%	+45.8%	-5.5%	-14.1	-27.3%	+41.3%

Table 2

Rate Changes Directed by Board From A.I. 8 (2003)							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	+47.5%	+12.7%	+44.8%	-1.4%	-12.1%	-23.3%	+41.1%
2 (005, 007)	+26.6%	+12.7%	+44.8%	-11.9%	-19.5%	-21.3%	+18.9%
3 (006)	+41.4%	+12.7%	+44.8%	+5.3%	-2.2	-5.3%	+28.7%
All	+39.2%	+12.7%	+44.8%	-10.6%	-11.2	-21.1%	+31.4%

Table 3

Increase Due To Delay Of Effective Date From February 1, 2003 to September 1, 2003							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	5.2%	2.2%	5.2%	-1.6%	-2.9%	-2.0%	3.4%
2 (005, 007)	5.2%	2.2%	5.2%	-1.6%	-2.9%	-2.0%	3.4%
3 (006)	5.2%	2.2%	5.2%	-1.6%	-2.9%	-2.0%	3.4%
All	5.2%	2.2%	5.2%	-1.6%	-2.9%	-2.0%	3.4%

Table 4

Total Increase in Rates To Take Effect September 1, 2003							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	+52.7%	+14.9%	+50.0%	-3.0%	-15.0%	-25.3%	+44.5%
2 (005, 007)	+31.8%	+14.9%	+50.0%	-13.5%	-22.4%	-23.3%	+22.3%
3 (006)	+46.6%	+14.9%	+50.0%	+3.7%	-5.1%	- 7.3%	+32.1%
All	+44.4%	+14.9%	+50.0%	-12.2%	-14.1	-23.1%	+34.8%

Explanatory Note:

Rates indicated in **Table 1** represent those originally requested by Facility Association in their application to the PUB to take effect on policies issued or renewed on and after February 1, 2003.

Rates indicated in **Table 2** represent the rates approved by the PUB and assumes the rates are applicable as originally scheduled on February 1, 2003.

Rates indicated in **Table 3** represent the additional rate increase or decrease associated with the effective date of the rates changing from February 1, 2003 to September 1, 2003.

Rates indicated in **Table 4** are the actual rate changes that will become effective on policies issued or renewed on and after September 1, 2003.

Commercial

Table 1

Facility Association Requested Rate Changes For Effect February 1, 2003							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
2 (005, 007)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
3 (006)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
All	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%

Table 2

Rate Changes Directed by Board From A.I. 8 (2003)							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
2 (005, 007)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
3 (006)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
All	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%

Table 3

Increase Due To Delay Of Effective Date From February 1, 2003 to September 1, 2003							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	9.7%	1.3%	0.0%	4.4%	2.6%	1.7%	8.4%
2 (005, 007)	9.7%	1.3%	0.0%	4.4%	2.6%	1.7%	8.4%
3 (006)	9.7%	1.3%	0.0%	4.4%	2.6%	1.7%	8.4%
All	9.7%	1.3%	0.0%	4.4%	2.6%	1.7%	8.4%

Table 4

Total Increase in Rates To Take Effect September 1, 2003							
Rating Territory	Liability	Accident Benefits	Uninsured Motorist	Collision	Comprehensive	Specified Perils	All Coverages Combined
1 (004)	+68.9%	-11.0%	+216.7%	+24.8%	-15.8%	-42.2%	+56.7%
2 (005, 007)	+68.9%	-11.0%	+216.7%	+24.8%	-15.8%	-42.2%	+56.7%
3 (006)	+68.9%	-11.0%	+216.7%	+24.8%	-15.8%	-42.2%	+56.7%
All	+68.9%	-11.0%	+216.7%	+24.8%	-15.8%	-42.2%	+56.7%

Explanatory Note:

Rates indicated in **Table 1** represent those originally requested by Facility Association in their application to the PUB to take effect on policies issued or renewed on and after February 1, 2003.

Rates indicated in **Table 2** represent the rates approved by the PUB and assumes the rates are applicable as originally scheduled on February 1, 2003.

Rates indicated in **Table 3** represent the additional rate increase or decrease associated with the effective date of the rates changing from February 1, 2003 to September 1, 2003.

Rates indicated in **Table 4** are the actual rate changes that will become effective on policies issued or renewed on and after September 1, 2003.