

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

**AN ORDER OF THE BOARD**

**NO. A.I. 20(2017)**

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

6 **IN THE MATTER OF** an application  
7 by The Dominion of Canada General  
8 Insurance Company for approval to  
9 implement a revised rating program for  
10 its Miscellaneous – Historic Vehicles  
11 class of business.  
12  
13

14 **WHEREAS** on August 9, 2017 The Dominion of Canada General Insurance Company  
15 (“Dominion”) applied to the Board for approval of a revised automobile insurance rating program  
16 for its Miscellaneous – Historic Vehicles class of business; and  
17

18 **WHEREAS** on September 28, 2017 the Board’s consulting actuaries, Oliver Wyman Limited  
19 (“Oliver Wyman”), filed a report of findings (the “Oliver Wyman Report”) with the Board; and  
20

21 **WHEREAS** on October 2, 2017 the Oliver Wyman Report was forwarded to Dominion for  
22 comment; and  
23

24 **WHEREAS** on October 4, 2017 Dominion advised it had no comment on the Oliver Wyman  
25 Report; and  
26

27 **WHEREAS** the application proposes extensive changes to rating variables, rate differentials, base  
28 rates, discounts and surcharges, and endorsements; and  
29

30 **WHEREAS** Dominion stated that, due to the relatively small volume of miscellaneous vehicles  
31 and lack of industry information, various assumptions used in the application were made or  
32 adopted from its Private Passenger Automobiles class of business; and  
33

34 **WHEREAS** following the filing of this application the Board issued Order No. A.I. 17(2017)  
35 denying Dominion’s application in relation to its Private Passenger Automobiles class of business  
36 upon which various assumptions in its Miscellaneous – Historic Vehicles class of business  
37 application are based; and

1 **WHEREAS** Oliver Wyman reported that, under the circumstance of limited data, Dominion’s  
2 approach and estimate of the average indicated rate level change need for each coverage is  
3 reasonable; and  
4


5 **WHEREAS** the Board accepts that there is insufficient underlying experience for an actuarial  
6 analysis in relation to Dominion’s Miscellaneous – Historic Vehicles class of business and is  
7 satisfied that the proposed assumptions made or adopted from the Private Passenger Automobiles  
8 class of business are reasonable in the circumstances given the insufficient underlying experience  
9 and considering that the proposed rates are lower than the indications; and  
10

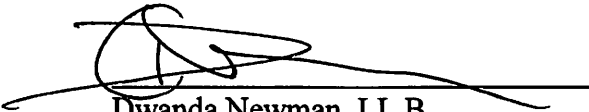
11 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.  
12  
13

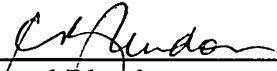
14 **IT IS THEREFORE ORDERED THAT:**  
15

- 16 1. The revised rating program received August 9, 2017 from The Dominion of Canada General  
17 Insurance Company for its Miscellaneous – Historic Vehicles class of business is approved to  
18 be effective no sooner than January 1, 2018 for new business and February 1, 2018 for  
19 renewals.  
20
- 21 2. The Dominion of Canada General Insurance Company will be required to pay the costs of the  
22 Board associated with this filing, including the costs of the actuarial review.

**DATED** at St. John’s, Newfoundland and Labrador, this 19<sup>th</sup> day of October, 2017.

  
 \_\_\_\_\_  
 Darlene Whalen, P. Eng.  
 Vice-Chair

  
 \_\_\_\_\_  
 Dwanda Newman, LL.B.  
 Commissioner

  
 \_\_\_\_\_  
 Cheryl Blundon  
 Board Secretary