

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

AN ORDER OF THE BOARD

NO. A.I. 3(2017)

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

5 **IN THE MATTER OF** an application
6 by Novex Insurance Company for approval
7 to implement a revised rating program for
8 its Private Passenger Automobiles class
9 of business.
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11
12 **WHEREAS** on February 28, 2017 Novex Insurance Company applied to the Board for approval
13 of a revised rating program for its Private Passenger Automobiles class of business; and
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15 **WHEREAS** on May 4, 2017 the Board’s consulting actuaries, Oliver Wyman Limited, filed a
16 report of findings with the Board; and
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18 **WHEREAS** on May 8, 2017 Novex Insurance Company filed comments and an amended rate
19 proposal based on alternative assumptions identified in the Oliver Wyman Limited report; and
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21 **WHEREAS** on May 18, 2017 Oliver Wyman Limited confirmed that the proposed rate level
22 changes by coverage are in accordance with the alternative assumptions identified in the Oliver
23 Wyman Limited report; and
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25 **WHEREAS** based on the record the Board finds that some of the assumptions used by Novex
26 Insurance Company in calculating its rate level indications have not been fully justified; and
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28 **WHEREAS** the proposed rate level changes by coverage filed by Novex Insurance Company on
29 May 8, 2017 are less than the rate level indications by coverage; and
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31 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.

1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. The revised rating program received May 8, 2017 from Novex Insurance Company is
4 approved to be effective no sooner than July 19, 2017 for new business and August 19, 2017
5 for renewals.
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7 2. Novex Insurance Company will be required to pay the costs of the Board associated with this
8 filing, including the costs of the actuarial review.

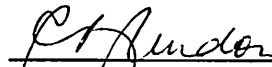
DATED at St. John's, Newfoundland and Labrador, this 6th day of June, 2017.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary