

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

**AN ORDER OF THE BOARD**

**NO. A.I. 11(2018)**

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 Royal and Sun Alliance Insurance  
8 Company of Canada for approval to  
9 implement a revised rating program  
10 for its Private Passenger Automobiles  
11 class of business.  
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14 **WHEREAS** on March 2, 2018 Royal and Sun Alliance Insurance Company of Canada applied to  
15 the Board for approval of a revised rating program for its Private Passenger Automobiles class of  
16 business; and  
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18 **WHEREAS** on April 2, 2018 the Board’s consulting actuaries, Oliver Wyman Limited, filed a  
19 report (“Oliver Wyman Report”) of findings with the Board; and  
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21 **WHEREAS** on April 11, 2018 Royal and Sun Alliance Insurance Company of Canada filed  
22 comments and an amended rating program in response to the Oliver Wyman Report; and  
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24 **WHEREAS** based on the record the Board finds that some proposals used by Royal and Sun  
25 Alliance Insurance Company of Canada in calculating its rate level indications have not been fully  
26 justified; and  
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28 **WHEREAS** substituting alternative assumptions will not reduce the rate indications below the  
29 proposed rates; and  
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31 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.  
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34 **IT IS THEREFORE ORDERED THAT:**  
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36 1. The revised rating program received April 11, 2018 from Royal and Sun Alliance Insurance  
37 Company of Canada is approved to be effective no sooner than June 1, 2018 for new business  
38 and August 1, 2018 for renewals.

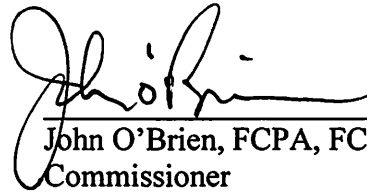
- 1 2. Royal and Sun Alliance Insurance Company of Canada will be required to pay the costs of the
- 2 Board associated with this filing, including the costs of the actuarial review.

**DATED** at St. John's, Newfoundland and Labrador, this 24<sup>th</sup> day of May, 2018.



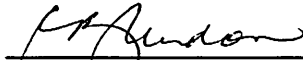
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Darlene Whalen, P. Eng.  
Chair & CEO



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John O'Brien, FCPA, FCA, CISA  
Commissioner



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Cheryl Blundon  
Board Secretary