

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

**AN ORDER OF THE BOARD**

**NO. A.I. 23(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  
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6 **IN THE MATTER OF** an application by  
7 Facility Association for approval of revised  
8 rates for its Newfoundland and Labrador  
9 Snow Vehicles class of business.  
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12 **WHEREAS** on November 30, 2017 Facility Association applied to the Board for approval of a  
13 revised rating program for its Newfoundland and Labrador Snow Vehicles class of business; and  
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15 **WHEREAS** on January 22, 2018 the Board’s consulting actuaries, Oliver Wyman Limited  
16 (“Oliver Wyman”), filed a report (the “Oliver Wyman Report”) which identified areas for  
17 consideration for the Board; and  
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19 **WHEREAS** on January 23, 2018 the Oliver Wyman Report was provided to Facility Association  
20 for comments; and  
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22 **WHEREAS** on January 30, 2018 Facility Association filed comments in response to the Oliver  
23 Wyman Report; and  
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25 **WHEREAS** based on the record the Board finds that some proposals used by Facility Association  
26 in calculating its rate level indications have not been fully justified; and  
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28 **WHEREAS** while substituting alternative assumptions will reduce the rate indications below the  
29 proposed rates for two coverages the Board is satisfied that the resulting impact on rates is not  
30 material; and  
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32 **WHEREAS** substituting alternative assumptions will not reduce the rate indications below the  
33 proposed rates for all other coverages; and  
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35 **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 November 30, 2017 from Facility Association for its  
4 Snow Vehicles class of business is approved to be effective no sooner than November 1, 2018  
5 for new business and for renewals.  
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7 2. Facility Association will be required to pay the costs of the Board associated with this filing,  
8 including the costs of the actuarial review.

**DATED** at St. John's, Newfoundland and Labrador, this 13<sup>th</sup> day of July, 2018.



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Darlene Whalen, P. Eng., FEC  
Chair & CEO

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John O'Brien, FCPA, FCA, CISA  
Commissioner

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Sara Kean  
Assistant Board Secretary