

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

**AN ORDER OF THE BOARD**

**NO. A.I. 6(2018)**

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

6 **IN THE MATTER OF** an application by  
7 Traders General Insurance Company for  
8 approval to implement a revised rating  
9 program for its Private Passenger  
10 Automobiles class of business.  
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12

13 **WHEREAS** on October 3, 2017 Traders General Insurance Company (“Traders”) applied to the  
14 Board for approval of a revised rating program for its Private Passenger Automobiles class of  
15 business; and  
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17 **WHEREAS** on January 29, 2018 the Board issued Order No. A.I. 3(2018) denying the revised  
18 rating program on the basis that Traders failed to justify its proposals related to amendments to  
19 surcharges and tier rating discounts for groups; and  
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21 **WHEREAS** on February 8, 2018 Traders applied to the Board for approval of a revised rating  
22 program for its Private Passenger Automobiles class of business in accordance with Order No. A.I.  
23 3(2018); and  
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25 **WHEREAS** the revised rating program did not include a proposal for tier rating discounts for  
26 groups but proposed changes to underwriting rules; and  
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28 **WHEREAS** on February 14, 2018 the Board’s actuarial consultants, Oliver Wyman Limited  
29 (“Oliver Wyman”), requested that Traders provide actuarial support for the proposed changes to  
30 its minor conviction surcharges; and  
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32 **WHEREAS** on February 14, 2018 and February 20, 2018 Traders provided actuarial support for  
33 the proposed changes to its minor conviction surcharges; and  
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35 **WHEREAS** on February 20, 2018 Oliver Wyman reported that the revised rating program  
36 complied with the parameters specified in Order No. A.I. 3(2018) and found the proposed changes  
37 to Traders’ minor conviction surcharges to be actuarially supported; and

1 **WHEREAS** on March 9, 2018 Traders provided additional information in relation to the impact  
2 of the proposed changes to its underwriting rules on its current portfolio; and  
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4 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.  
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7 **IT IS THEREFORE ORDERED THAT:**  
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- 9 1. The revised rating program received February 8, 2018 from Traders General Insurance  
10 Company is approved to be effective no sooner than July 1, 2018 for new business and for  
11 renewals.  
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13 2. Traders General Insurance Company will be required to pay the costs of the Board associated  
14 with this filing, including the costs of the actuarial review.

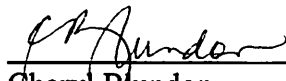
**DATED** at St. John's, Newfoundland and Labrador, this 14<sup>th</sup> day of March, 2018.



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Darlene Whalen, P. Eng.  
Vice-Chair



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Dwanda Newman, LL.B.  
Commissioner



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Cheryl Blundon  
Board Secretary