

NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. A.I. 22(2019)

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 TD Home and Auto Insurance
8 Company for approval to implement a
9 revised rating program for its Private
10 Passenger Automobiles, Motorcycles,
11 All-Terrain Vehicles, Snow Vehicles,
12 Trailers, Motorhomes, and Antique,
13 Modern Classic and Old Vehicles classes
14 of business.
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16 **WHEREAS** effective January 1, 2020 changes to the *Act* and regulations thereunder come into
17 effect which include mandatory reforms of the automobile insurance product; and
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19 **WHEREAS** the mandatory reforms include the introduction of Direct Compensation Property
20 Damage (“DCPD”) coverage for all vehicles and an increase in the deductible applicable to all
21 pain and suffering awards from \$2,500 to \$5,000; and
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23 **WHEREAS** on November 5, 2019 the Board implemented a simplified “Reform” filing option
24 and Reform Filing Guidelines to help expedite the approval of the mandatory reform changes; and
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26 **WHEREAS** the Reform Filing Guidelines provide step-by-step procedures for splitting existing
27 Board approved Third Party Liability rates into rates for Bodily Injury, Property Damage-Tort and
28 DCPD sub-coverages as well as for reflecting the deductible increase into Bodily Injury rates; and
29

30 **WHEREAS** on November 12, 2019 TD Home and Auto Insurance Company applied to the Board
31 for approval of a revised rating program under the Reform filing option for its Private Passenger
32 Automobiles, Motorcycles, All-Terrain Vehicles, Snow Vehicles, Trailers, Motorhomes, and
33 Antique, Modern Classic and Old Vehicles classes of business; and

1 **WHEREAS** vehicles rated as Motorhomes and Antique, Modern Classic and Old Vehicles are
2 rated as dependent vehicles based on the rating program changes for Private Passenger
3 Automobiles; and

4
5 **WHEREAS** on November 25, 2019 the Board's actuarial consultants, Oliver Wyman Limited,
6 reported that the revised rating program is consistent with the Reform Filing Guidelines and is
7 supported; and

8
9 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.

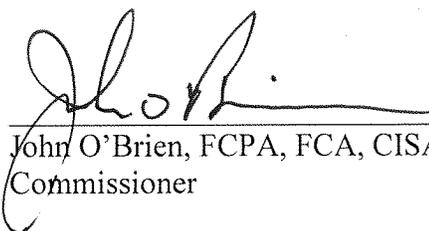
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12 **IT IS THEREFORE ORDERED THAT:**

- 13
14 1. The revised rating program received November 12, 2019 from TD Home and Auto Insurance
15 Company for its Private Passenger Automobiles, Motorcycles, All-Terrain Vehicles, Snow
16 Vehicles, Trailers, Motorhomes, and Antique, Modern Classic and Old Vehicles classes of
17 business is approved to be effective no sooner than February 8, 2020 for new business and
18 April 8, 2020 for renewals.

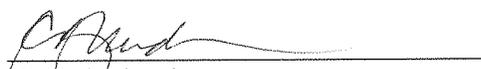
DATED at St. John's, Newfoundland and Labrador, this 29th day of November, 2019.



Darlene Whalen, P.Eng., FEC
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary