

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

AN ORDER OF THE BOARD

NO. A.I. 2(2019)

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
7 by Royal and Sun Alliance Insurance
8 Company of Canada for approval to
9 implement a revised rates for its Private
10 Passenger Automobiles class of
11 business.
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14 **WHEREAS** on December 4, 2018 Royal and Sun Alliance Insurance Company of Canada
15 (“RSA”) applied to the Board for approval of a revised rating program for its Private Passenger
16 Automobiles class of business; and
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18 **WHEREAS** the revised rating program proposes rates that are higher than those currently
19 approved by the Board for certain coverages; and
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21 **WHEREAS** on January 2, 2019 the Board’s actuarial consultants, Oliver Wyman Limited
22 (“Oliver Wyman”), filed a report (the “Oliver Wyman Report”) of findings with the Board which
23 identified key areas of the filing for the Board’s consideration; and
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25 **WHEREAS** the Oliver Wyman Report was forwarded to RSA for comment on January 8, 2019;
26 and
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28 **WHEREAS** on January 15, 2019 RSA filed commentary in relation to the Oliver Wyman
29 Report and filed additional supporting justification; and
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31 **WHEREAS** on January 24, 2019 Oliver Wyman advised it had no further follow-up; and
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33 **WHEREAS** the Board finds that RSA failed to justify its proposals related to: i) the selection of
34 ultimate losses and ii) the expense provision; and

1 **WHEREAS** RSA may file a revised rate proposal for its Private Passenger Automobiles class of
2 business reflecting the findings of the Board as set out in the Reasons for Decision to be issued
3 separately.

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5 **IT IS THEREFORE ORDERED THAT:**

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7 1. The application is denied.

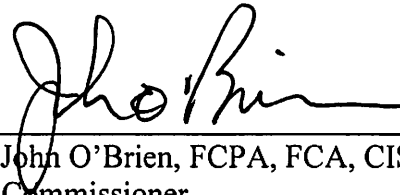
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9 2. Royal and Sun Alliance Insurance Company of Canada will be required to pay the costs of
10 the Board associated with this filing, including the costs of the actuarial review.

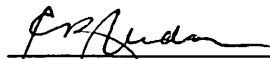
DATED at St. John's, Newfoundland and Labrador, this 12th day of March, 2019.



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



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary