

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

AN ORDER OF THE BOARD

NO. A.I. 19(2020)

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

6 **IN THE MATTER OF** an application
7 by S&Y Insurance Company for
8 approval to implement a revised rating
9 program for its Private Passenger
10 Automobiles category of automobile
11 insurance.
12
13

14 **WHEREAS** on May 12, 2020 S&Y Insurance Company (“S&Y”) applied to the Board for
15 approval of a revised rating program under the Expedited Approval option for its Private Passenger
16 Automobiles category of automobile insurance; and
17

18 **WHEREAS** S&Y filed an overall rate level indication of +5.0% and proposed an overall rate level
19 change of +3.0% that varied by coverage; and
20

21 **WHEREAS** S&Y currently has a temporary 0% cap related to COVID-19 in effect from June 15,
22 2020 to September 14, 2020 and proposes to apply an upper bound cap of up to +15% thereafter
23 in accordance with filed provisions; and
24

25 **WHEREAS** S&Y estimates its proposed overall average rate level change on a capped basis to be
26 +2.9%; and
27

28 **WHEREAS** on May 27, 2020 the Board's actuarial consultants, Oliver Wyman Limited (“Oliver
29 Wyman”), filed a report of findings with the Board which identified key areas of the filing for the
30 Board's consideration; and
31

32 **WHEREAS** Oliver Wyman found S&Y’s rate level indication of +5.0% and proposed rate level
33 change of +3.0% to be reasonable and supported in the circumstances; and

34 **WHEREAS** the Board finds the proposed rate change is in accordance with the Expedited
35 Approval Filing Guidelines as it does not exceed +3.0% in one year, does not cumulatively exceed

1 +6.0% in three years, and does not result in dislocation to any vehicle premium greater than
2 +10.0% overall after capping; and
3

4 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
5 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
6 financial circumstances of the insurer, and do not violate the *Automobile Insurance Act* or the
7 *Insurance Companies Act* or the respective regulations thereunder.
8
9

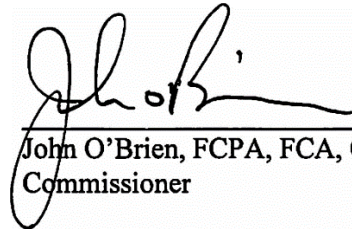
10 **IT IS THEREFORE ORDERED THAT:**
11

- 12 1. The revised rating program received on May 12, 2020 from S&Y Insurance Company for its
13 Private Passenger Automobiles category of automobile insurance is approved to be effective
14 no sooner than September 1, 2020 for new business and renewals.

DATED at St. John's, Newfoundland and Labrador, this 5th day of June, 2020.



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



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary