

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

AN ORDER OF THE BOARD

NO. A.I. 60(2020)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, as
3 amended, and regulations thereunder; and
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5 **IN THE MATTER OF** an application by
6 Novex Insurance Company for approval
7 to implement a revised rating program for
8 all vehicle types.
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11 **WHEREAS** effective January 1, 2020 changes to the *Automobile Insurance Act* and regulations
12 thereunder came into effect which included mandatory reforms of the automobile insurance
13 product; and
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15 **WHEREAS** the mandatory reforms included the introduction of Direct Compensation Property
16 Damage (“DCPD”) coverage for all vehicles and an increase in the deductible applicable to all
17 pain and suffering awards from \$2,500 to \$5,000; and
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19 **WHEREAS** on November 5, 2019 the Board implemented a simplified “Reform” filing option
20 and Reform Filing Guidelines to expedite the approval of the mandatory reform changes; and
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22 **WHEREAS** the Reform Filing Guidelines provide step-by-step procedures for splitting existing
23 Board approved Third Party Liability rates into rates for Bodily Injury, Property Damage-Tort and
24 DCPD sub-coverages as well as for reflecting the deductible increase into Bodily Injury rates; and
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26 **WHEREAS** on July 16, 2020 Novex Insurance Company applied to the Board for approval of a
27 revised rating program under the Reform filing option for the following types of vehicles: (a)
28 Private Passenger Automobiles; (b) Antique Vehicles; (c) All-Terrain Vehicles; (d) Motorcycles
29 and Mopeds; (e) Motorhomes; and (f) Snowmobiles; and
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31 **WHEREAS** the revised rating program is consistent with the Reform Filing Guidelines and is
32 supported; and
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34 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
35 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the

1 financial circumstances of the insurer, and do not violate the *Automobile Insurance Act* or the
2 *Insurance Companies Act* or the respective regulations thereunder.

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5 **IT IS THEREFORE ORDERED THAT:**

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1. The revised rating program received July 16, 2020 from Novex Insurance Company for all vehicle types is approved to be effective no sooner than December 1, 2020 for new business and no sooner than January 1, 2021 for renewals.

DATED at St. John's, Newfoundland and Labrador, this 11th day of August, 2020.



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



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary