

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

AN ORDER OF THE BOARD

NO. A.I. 14(2025)

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 by
7 Co-operators General Insurance
8 Company for approval to implement
9 a revised rating program for its Private
10 Passenger Automobiles category of
11 automobile insurance.
12
13

14 **WHEREAS** on December 23, 2024 Co-operators General Insurance Company (“CGIC”) applied to
15 the Board for approval of a revised rating program under the Mandatory filing option for its
16 Private Passenger Automobiles category of automobile insurance; and
17

18 **WHEREAS** CGIC filed an overall rate level indication of +2.4% and proposed an overall rate level
19 change of +2.4%; and
20

21 **WHEREAS** CGIC also proposed to update its CLEAR rate group table; and
22

23 **WHEREAS** the filing was sent to the Board’s actuarial consultants, Oliver Wyman Limited (“Oliver
24 Wyman”) for review and report; and
25

26 **WHEREAS** on February 28, 2025 Oliver Wyman filed a report of findings which identified issues
27 with certain assumptions used by CGIC to estimate its overall rate level indication; and
28

29 **WHEREAS** Oliver Wyman noted that substituting alternative assumptions that it found to be
30 more reasonable for loss trends, COVID-19 adjustments, health levy, return on investment and
31 profit provision would result in an overall rate level indication of -1.7%, which was lower than
32 CGIC’s proposed overall rate level change of +2.4%; and
33

34 **WHEREAS** Oliver Wyman found CGIC’s proposed changes to its rate group table to be reasonable;
35 and

1 **WHEREAS** on March 11, 2025, CGIC provided additional rationale and support for its selected
2 loss trend rates and filed an amended overall rate level indication of +2.3% based on alternate
3 assumptions for COVID-19 adjustments, health levy, return on investment and profit provision;
4 and

5
6 **WHEREAS** CGIC noted that since its amended rate level indication of +2.3% was based on differing
7 actuarial judgements and assumptions suggested by Oliver Wyman, and was very close to its
8 original indication of +2.4%, CGIC found it reasonable to maintain its proposed rate level change
9 of +2.4%; and

10
11 **WHEREAS** on March 20, 2025 Oliver Wyman filed a report addendum in which it accepted CGIC's
12 assumptions for COVID-19 adjustments, health levy, return on investment and profit provision,
13 but continued to find alternative loss trends to be more reasonable than those selected by CGIC;
14 and

15
16 **WHEREAS** Oliver Wyman estimated CGIC's overall rate level indication to be -0.3% by substituting
17 alternative loss trends; and

18
19 **WHEREAS** on March 27, 2025 CGIC provided additional support for its loss trend selections and
20 noted that its methodology was as valid and reasonable as Oliver Wyman's and therefore
21 continued to find its overall rate level proposal of +2.4% to be reasonable; and

22
23 **WHEREAS** the Board acknowledges that a wide range of outcomes are possible in any prospective
24 ratemaking exercise and that the variance in the overall rate level indications produced by CGIC
25 and Oliver Wyman result primarily from differing actuarial judgements on loss trends; and

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27 **WHEREAS** the Board finds that CGIC has provided adequate rationale and support for its
28 proposed loss trends and its overall rate level change of +2.4%; and

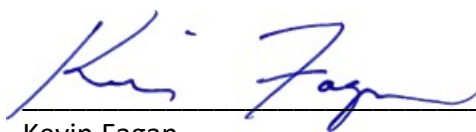
29
30 **WHEREAS** the Board accepts CGIC's proposed CLEAR rate group table update; and

31
32 **WHEREAS** the Board is satisfied that the proposed rates are just and reasonable in the
33 circumstances, do not impair the solvency of the insurer, are not excessive in relation to the
34 financial circumstances of the insurer, and do not violate the **Automobile Insurance Act** or the
35 **Insurance Companies Act** or the respective regulations thereunder.

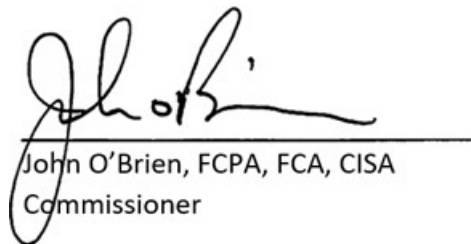
1 **IT IS THEREFORE ORDERED THAT:**

- 2
- 3 1. The rating program received on December 23, 2024 from Co-operators General Insurance
- 4 Company for its Private Passenger Automobiles category of automobile insurance is approved
- 5 to be effective no sooner than June 11, 2025 for new business and July 11, 2025 for renewals.

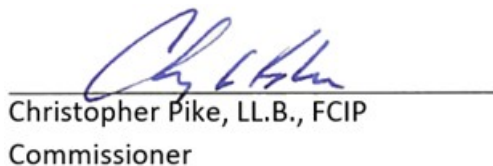
DATED at St. John's, Newfoundland and Labrador, this 4th day of April, 2025.



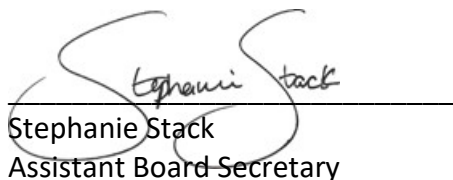
Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Stephanie Stack
Assistant Board Secretary