

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

AN ORDER OF THE BOARD

NO. A.I. 22(2025)

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

IN THE MATTER OF an application by
Belair Insurance Company for approval
to implement a revised rating program
for its Miscellaneous Vehicles category of
automobile insurance, including ATVs,
Snow Vehicles and Motorcycles
& Mopeds.

WHEREAS on February 3, 2025 Belair Insurance Company (“Belair”) applied to the Board for approval of a revised rating program under the Mandatory filing option for its Miscellaneous Vehicles category of automobile insurance, including ATVs, Snow Vehicles and Motorcycles & Mopeds; and

WHEREAS Belair filed overall rate level indications of -9.8% for ATVs, -6.0% for Snow Vehicles and -4.9% for Motorcycles and Mopeds; and

WHEREAS Belair proposed an overall rate level change of +0.0% for all Miscellaneous Vehicles types, based on the sparsity of the data and associated low level of credibility; and

WHEREAS Belair also proposed changes to its discounts; and

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

WHEREAS on April 7, 2025, in response to questions raised by Oliver Wyman, Belair amended its overall rate level indications to -8.5% for ATVs, -5.8% for Snow Vehicles and -4.8% for Motorcycles and Mopeds, but maintained its +0.0% proposal for all Miscellaneous Vehicles types; and

1 **WHEREAS** on April 24, 2025 Oliver Wyman issued a report of findings; and

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3 **WHEREAS** Oliver Wyman reported that substituting alternative assumptions that it found to be
4 more reasonable for return on investment, the indicated rate change formula and the health levy
5 would result in overall rate level indications of -8.5% for ATVs, -5.8% for Snow Vehicles and -4.8%
6 for Motorcycles and Mopeds, which aligns with Belair's amended indications; and

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8 **WHEREAS** Oliver Wyman found Belair's changes to its discounts to be reasonable in the
9 circumstances; and

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11 **WHEREAS** on May 2, 2025 Belair submitted a response to the Oliver Wyman report, deeming its
12 +0.0% proposed overall rate level changes reasonable due to the sparsity and low credibility of
13 both the Belair and Industry data, which can result in a wide range of indications; and

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15 **WHEREAS** the Board acknowledges that the Miscellaneous Vehicles data has low claim counts
16 and considerable volatility which makes it difficult to calculate actuarially-justified rate level
17 indications; and

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19 **WHEREAS** the Board notes that Belair's data for each vehicle type is not fully credible for any
20 coverage, which increases the uncertainty of the rate level indications; and

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22 **WHEREAS** the Board accepts that the limited number of claims and low credibility of the data can
23 result in a wide range of reasonable outcomes in the prospective ratemaking process; and

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25 **WHEREAS** the Board is satisfied that Belair's +0.0% proposed rate level change is within an
26 acceptable range of reasonableness, given the data concerns identified; and

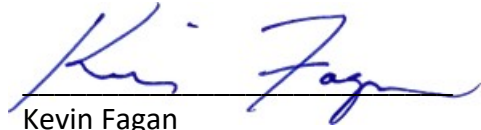
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28 **WHEREAS** the Board also accepts Belair's proposed changes to its discounts; and

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

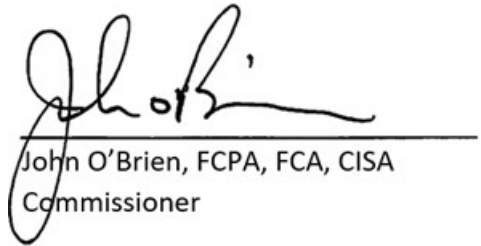
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36 **IT IS THEREFORE ORDERED THAT:**

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38 1. The amended rating program received April 7, 2025 from Belair Insurance Company for its
39 Miscellaneous Vehicles category of automobile insurance, including ATVs, Snow Vehicles and
40 Motorcycles & Mopeds is approved to be effective no sooner than June 1, 2025 for new
41 business and July 31, 2025 for renewals.

DATED at St. John's, Newfoundland and Labrador, this 26th day of May, 2025.



Kevin Fagan
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau
Board Secretary