

A.I. 12 (2003)

**IN THE MATTER OF THE AUTOMOBILE
INSURANCE ACT, CHAPTER A - 22, R.S.N. 1990**

AND

IN THE MATTER OF AN APPLICATION BY
CGU Insurance Company of Canada
for approval of a revised rating program
for its Private Passenger class of business

WHEREAS, by application received February 20, 2003, CGU Insurance Company of Canada applied to the Board for approval to implement a revised rating program for its Private Passenger class of business, and

WHEREAS, upon preliminary review by Board staff, it was determined that a number of the proposed or adjusted proposed base rates did not conform with the 2001 benchmark rate ranges of acceptable rates, and

WHEREAS the applicant has submitted actuarial analysis in support of the establishment of rates which do not conform with the benchmark rate ranges of acceptable rates, and

WHEREAS the Board, after due examination and analysis of the proposed rating program, finds that it should be approved as filed.

IT IS THEREFORE ORDERED THAT:

1. Board Order No. A.I. 31 (2002-2003) be and it is hereby rescinded.
2. The following base rates are hereby approved for use by the company:

| Territory | 1 | 2 | 3 |
|-----------------------|-------------|-----------|-----------|
| Third Party Liability | \$ 1,008.72 | \$ 513.25 | \$ 407.12 |
| Collision | 173.88 | 203.40 | 257.20 |
| Comprehensive | 127.02 | 91.43 | 117.68 |
| Specified Perils | 45.64 | 19.66 | 25.15 |
| Accident Benefits | 95.00 | 80.00 | 80.00 |
| Uninsured Motorist | 31.00 | 21.00 | 19.00 |
| All Perils | 269.14 | 271.97 | 345.46 |

and differentials as submitted with this filing.

3. The following discounts are approved for use subject to the eligibility criteria set out in the company's underwriting manual:

| | | | |
|------|---------------|-----|----------------------------------------------------------------------------------------------------------|
| i. | multi vehicle | 10% | all common coverage, excluding comprehensive and specified perils |
| ii. | age | 5% | third party liability, collision, all perils, comprehensive, accident benefits and specified perils |
| iii. | short commute | 5% | third party liability, collision, collision portion of all perils, accident benefits, and uninsured auto |
| iv. | full package | 5% | third party liability, collision, all perils, comprehensive, accident benefits, and specified perils |
| v. | student | 50% | third party liability, collision, and collision portion of all perils |
| vi. | farmer's | 40% | third party liability, collision, comprehensive, all perils and specified perils |
| vii. | multi-lines | 5% | all coverages, excluding endorsements |

4. These rates shall be effective June 1, 2003 for new business and July 1, 2003 for renewals.

DATED at St. John's, Newfoundland and Labrador, this 30th day of April, 2003.

Robert Noseworthy
Chairperson & Chief Executive Officer

G. Fred Saunders
Commissioner

Cheryl Blundon
Board Secretary