

**A.I. 2 (2004)**

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

**AND**

**IN THE MATTER OF AN APPLICATION BY**  
Royal & Sunalliance Insurance Company of Canada  
for approval of a revised rating program  
for its Private Passenger and  
Miscellaneous Private Passenger Vehicle  
class of business

**WHEREAS**, by application received December 19, 2003, amended January 28, 2004 and February 11, 2004, Royal & Sunalliance Insurance Company of Canada applied to the Board for approval to implement a revised rating program for its Private Passenger and Miscellaneous Private Passenger Vehicle 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 has submitted the filing to its Actuarial Consultants for review and analysis and a report on the actuarial analysis submitted in support of the establishment of rates that do not conform with the benchmark rate ranges of acceptable rates, and

**WHEREAS**, following a review by the Actuarial Consultants, on January 28, 2004 the Applicant submitted additional information in support of the proposed rates, and the application was revised to conform with the recommendations of the Actuaries, and

**WHEREAS**, on January 30, 2004, the Board received the report of its Actuarial Consultants with respect to the filing, and

**WHEREAS** the Actuarial Consultants' report concluded that the proposed rates outside the Benchmarks are reasonably supported by the actuarial analysis submitted with the exception of Third Party Liability in Territory 1, and

**WHEREAS**, following issuance of the Actuarial Consultants' report, on February 11, 2004 Royal & Sunalliance Insurance Company of Canada submitted an amendment to the filing to address the Actuaries' issue of Third Party Liability rates in Territory 1, by reducing the base rate and the adjusted base rate to comply with Actuaries' report, and

**WHEREAS** the Board, after due examination and analysis of the amended proposed rating program and after consideration of the Actuarial Consultants' report on the filing, finds that it should be approved as filed.

**IT IS THEREFORE ORDERED THAT:**

1. Board Order No. A.I. 14 (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	\$ 1212.82	\$ 566.90	\$ 380.67
Collision	235.15	248.86	250.60
Comprehensive	138.27	110.82	133.04
Specified Perils	56.61	30.59	29.16
Accident Benefits	139.89	106.75	118.11
Uninsured Motorist	22.97	22.97	22.97
All Perils	338.92	331.04	350.45

and differentials as submitted with the filing.

3. Approval be and it is hereby granted Royal & Sunalliance Insurance Company of Canada for the implementation of revisions to its Miscellaneous Vehicles' rating program as contained in this filing.

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

i.	Multi vehicle	10%	Third Party Liability, Collision, Collision portion of All Perils, Accident Benefits & Uninsured Motorist
ii.	Long-term policy holder	5%	Third Party Liability, Collision, Comprehensive, Specified Perils, All Perils, Accident Benefits, & Uninsured Motorist
iii.	Multi-line	5%	Third Party Liability, only
iv.	Claims-free	5%	Third Party Liability, Collision, Comprehensive, Specified Perils, All Perils, Accident Benefits & Uninsured Motorist
v.	Experienced Driver	10%	Third Party Liability, Collision, Comprehensive, Specified Perils, All Perils, Accident Benefits, Uninsured Motorist
vi.	Low-Mileage	12%	Third Party Liability, Collision, Comprehensive, & Specified Perils
vii.	Deluxe plan	12%	Third Party Liability, Collision, Comprehensive, and Specified Perils
viii.	Preferred Driver	5%	Third Party Liability, Collision, and Accident Benefits

5. The rates established by way of this Order are to be implemented on March 15, 2004 for new business and May 15, 2004 for renewals.

**DATED** at St. John's, Newfoundland and Labrador, this 9th day of March, 2004.

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Robert Noseworthy  
Chairperson & Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chairperson

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Cheryl Blundon  
Board Secretary