

1 **A.I. 14 (2006)**

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4 **IN THE MATTER OF THE *Automobile,***
5 ***Insurance Act*, R.S.N.L. 1990, c. A-22, as**
6 **amended (the “*Act*”)**
7

8 **AND**
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10 **IN THE MATTER OF** an application by
11 The Personal Insurance Company of Canada
12 (the “Applicant”) to implement revised rates
13 for its Private Passenger class of business.
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16 **WHEREAS** on September 01, 2005 the Applicant submitted for the Board’s review and
17 decision a Category 2 automobile insurance rate filing; and
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19 **WHEREAS** on March 30, 2006, following review by the Board of the supporting
20 material, responses to information requests, consultants’ reports and all other information
21 relevant to the filing, the Board issued Order No. A.I. 10 (2006); and
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23 **WHEREAS** Order No. A.I. 10 (2006) set out the Board’s findings in respect to the filing
24 denying the Applicant’s requested leased vehicle surcharge and requiring the Applicant to
25 resubmit a revised rate proposal based on indications flowing from the findings of the Board; and
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27 **WHEREAS** on April 12, 2006 the Applicant resubmitted its rate proposal based on the
28 Board’s findings and resubmitted a revised version of the leased vehicle surcharge; and

1 **WHEREAS** on April 25, 2006 the Applicant revised its April 12, 2006 submission to
2 address certain issues; and

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4 **WHEREAS** on April 25, 2006 the Board's actuarial consultants reported that the revised
5 rate proposal was based on the factors and parameters determined by the Board to be reasonable
6 and supported by the information submitted in connection with the filing and that the leased
7 vehicle surcharge was reasonable justified with actuarial data supplied in support thereof; and

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9 **WHEREAS** the Board is satisfied that the revised rate proposal reflects rates no higher
10 than justified on the basis of the available information; and

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12 **WHEREAS** the Board is satisfied that the proposed changes to the Applicant's leased
13 vehicle surcharge are reasonable and in compliance with legislation and regulation.

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15 **IT IS THEREFORE ORDERED THAT:**

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17 1. The revised rate proposal received by the Board on April 12, 2006 and amended on April
18 25, 2006 is approved with base rates as follows:

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Coverage	Territory 1	Territory 2	Territory 3
Third Party Liability	748.63	748.63	748.63
Collision	187.22	187.22	187.22
Comprehensive	119.31	119.31	119.31
Specified Perils	30.42	30.42	30.42
Accident Benefits	65.20	65.20	65.20
Uninsured Motorist	25.51	25.51	25.51

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21 and differential as submitted with the filing.

- 1 2. The base rates for each type of coverage shall be effective for new and renewal business
2 no sooner than May 5, 2006 and no later than July 31, 2006.
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- 4 3. Notwithstanding Clause 2 above, in cases where a rate decreases as a result of this Order
5 or where otherwise prescribed by legislation, the decreased rate shall be considered to be
6 effective as of August 1, 2005 as set out in legislation.
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- 8 4. The revised surcharge program as it relates to the leased vehicle surcharge as set out in
9 the Company's revised submission dated April 25, 2006 is approved for use.

DATED at St. John's, Newfoundland and Labrador, this 4th day of May 2006.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary