

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

AN ORDER OF THE BOARD

NO. A.I. 7(2009)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, as
3 amended (the “*Act*”);
4

5 **AND**
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7 **IN THE MATTER OF** an application by
8 RBC General Insurance Company (“RBC”)
9 for approval of a revised private passenger automobile
10 insurance rating program (the “Application”).
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13 **WHEREAS** on November 25, 2008 the Board received an Application from RBC seeking
14 approval to implement a revised rating program for its Private Passenger automobile insurance
15 class of business; and
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17 **WHEREAS** the actuarial documentation filed with the Application was incomplete and
18 significant additional information was filed over the subsequent months; and
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20 **WHEREAS** on June 5, 2009 RBC filed a revised proposal significantly revising the original
21 proposals; and
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23 **WHEREAS** based on the record the Board finds that several proposals made by RBC have not
24 been justified; and
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26 **WHEREAS** the Board accepts the June 5, 2009 proposals of RBC with the exception of: i) the
27 expense provision; ii) the proposed allocation of expenses; iii) the return on investment; and, iv)
28 the proposed changes with respect to the definition of driving record 7.
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30 **IT IS THEREFORE ORDERED THAT:**
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- 32 1. The application is denied.
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- 34 2. RBC shall submit for the approval of the Board within 60 days of this order a revised rate
35 filing incorporating the proposals set out in the June 5, 2009 filing except that: i) the
36 expense provision shall be no higher than 25.15% and shall be allocated equally across
37 all coverages; ii) the return on investment shall be no lower than 5.4%; and, iii) the
38 current definition of driving record 7 shall be used.

DATED at St. John's, Newfoundland and Labrador, this 28th day of July 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary