

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

AN ORDER OF THE BOARD

NO. A.I. 24(2011)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, as
3 amended (the “*Act*”);
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5 **AND**
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7 **IN THE MATTER OF** an application by
8 The Sovereign General Insurance Company
9 to adopt the most recent rates and rating program
10 of The Canadian Union Insurance Company for
11 its Private Passenger Automobiles class of business.
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14 **WHEREAS** on December 6, 2011 The Sovereign General Insurance Company (“Sovereign”) applied to the Board for approval to adopt the most recent rates and rating program of The Canadian Union Insurance Company (“Canadian Union”) for its Private Passenger Automobiles class of business; and
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19 **WHEREAS** Sovereign and Canadian Union are members of The Co-operators Group Limited;
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22 **WHEREAS** Sovereign writes principally commercial automobile insurance in the Province but will write a small number of private passenger vehicles to accommodate its commercial clients;
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26 **WHEREAS** in 2010 Sovereign wrote a total of \$34,000 in Private Passenger Automobiles premiums as part of commercial policies; and
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29 **WHEREAS** Sovereign has utilized the Private Passenger Automobiles rating program of Canadian Union since approved by the Board in Order No. A.I. 10(2008); and
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32 **WHEREAS** Sovereign uses its own increased limit factors for \$3M, \$5M and \$10M limits for Third Party Liability (“TPL”) and SEF 44 that were approved by the Board in Order No. A.I. 7(2008); and
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35 **WHEREAS** Canadian Union has, with Board approval, recently revised its Private Passenger
36 Automobiles rates and rating program; and

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38 **WHEREAS** Canadian Union revised its TPL limits factors for amounts up to \$2M as part of its
39 recent Private Passenger Automobiles filing; and

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41 **WHEREAS** Sovereign proposes to adjust its own increased TPL limit factors for \$3M, \$5M and
42 \$10M limits to account for the changes made by Canadian Union in order to maintain the same
43 logical progression of the limits originally approved by the Board; and

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45 **WHEREAS** Sovereign's experience for its Private Passenger Automobiles class of business in
46 the Province is insufficient to provide an actuarially justified rate filing; and

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48 **WHEREAS** the Board is satisfied that the use by Sovereign of Canadian Union's most recent
49 Miscellaneous Vehicles rates and rating program is appropriate under the circumstances.

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52 **IT IS THEREFORE ORDERED THAT:**

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54 1. The proposed rates and rating program for the Private Passenger Automobiles class of
55 business of The Sovereign General Insurance Company is approved with effect no sooner
56 than January 16, 2012 for new business and March 19, 2012 for renewals.

Dated at St. John's, Newfoundland and Labrador, this 20th day of December 2011.

Darlene Whalen, P.Eng.
Vice-Chair

James Oxford
Commissioner

Cheryl Blundon
Board Secretary