

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

AN ORDER OF THE BOARD

NO. A.I. 5(2012)

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

AND

6
7 **IN THE MATTER OF** an application by
8 COSECO Insurance Company for approval to
9 implement revised rates for its Private Passenger
10 Automobiles class of business.

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12 **WHEREAS** on January 30, 2012 COSECO Insurance Company applied to the Board for
13 approval of a revised automobile insurance rating program for its Private Passenger Automobiles
14 class of business; and

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16 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
17 the Board; and

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19 **WHEREAS** on March 12, 2012 the Board’s consulting actuaries, Oliver Wyman, filed a report
20 of findings with the Board which identified key areas of the filing for the Board’s consideration;
21 and

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23 **WHEREAS** based on the record the Board finds that several proposed changes have not been
24 fully justified; and

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26 **WHEREAS** the Board accepts the proposals of COSECO Insurance Company with the
27 exception of: i) profit provision; ii) Accident Benefits coverage; and iii) Uninsured Motorists
28 coverage; and

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30 **WHEREAS** the Board will require COSECO Insurance Company to file a revised rate proposal
31 for its Private Passenger Automobiles class of business incorporating the findings of the Board as
32 set out in the Reasons for Decision issued separately.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The application is denied.

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5 2. COSECO Insurance Company shall submit, for the approval of the Board, within 30 days of
6 receipt of the Board's Reasons for Decision, a revised rate proposal for its Private Passenger
7 Automobiles class of business with the changes in parameters outlined therein.

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9 3. COSECO Insurance Company shall pay the expenses of the Board incurred in connection
10 with this matter.

Dated at St. John's, Newfoundland and Labrador, this 20th day of April 2012

Darlene Whalen, P.Eng.
Vice-Chair

James Oxford
Commissioner

Cheryl Blundon
Board Secretary