

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

AN ORDER OF THE BOARD

NO. A.I. 11(2013)

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 Federation Insurance Company of Canada
9 to implement revised rates for its Private
10 Passenger Automobiles class of business.
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13 **WHEREAS** on February 19, 2013 Federation Insurance Company of Canada applied to the
14 Board for approval of a revised automobile insurance rating program for its Private Passenger
15 Automobiles class of business (the “*Application*”); and
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17 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
18 the Board; and
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20 **WHEREAS** on March 11, 2013 the Board’s consulting actuaries, Oliver Wyman, filed a report
21 of findings with the Board which identified key areas of the filing for the Board’s consideration;
22 and
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24 **WHEREAS** based on the record the Board finds that several proposed changes have not been
25 fully justified; and
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27 **WHEREAS** the Board accepts the proposals of Federation Insurance Company of Canada with
28 the exception of: i) the loss trend rates; ii) the class differentials; iii) the vehicle age rating
29 differentials; and iv) the non-payment cancellation surcharge; and
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31 **WHEREAS** Federation Insurance Company of Canada may file a revised rate proposal for its
32 Private Passenger Automobiles class of business incorporating the findings of the Board as set
33 out in the Reasons for Decision to be issued separately.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The Application is denied.

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5 2. Federation Insurance Company of Canada shall pay the costs of the Board incurred in
6 connection with this matter.

DATED at St. John's, Newfoundland and Labrador, this 7th day of May 2013.

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

Sara Kean
Assistant Board Secretary