

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

AN ORDER OF THE BOARD

NO. A.I. 24 2013)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22 (the “*Act*”),
3 as amended, and regulations thereunder; and
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5 **IN THE MATTER OF** an application by
6 The Portage la Prairie Mutual Insurance
7 Company for approval to implement a revised rating program
8 for its Private Passengers Automobiles class of business.
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11 **WHEREAS** on July 29, 2013 The Portage la Prairie Mutual Insurance Company applied to the
12 Board for approval of a revised rating program for its Private Passenger Automobiles class of
13 business; and
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15 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
16 the Board; and
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18 **WHEREAS** on September 12, 2013 the Board’s consulting actuaries, Oliver Wyman, filed a
19 report of findings with the Board which identified key areas of the filing for the Board’s
20 consideration; and
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22 **WHEREAS** the Oliver Wyman report was provided to The Portage la Prairie Mutual Insurance
23 Company for comments; and
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25 **WHEREAS** The Portage la Prairie Mutual Insurance Company stated that it could not argue
26 with any of the Oliver Wyman comments or recommendations but noted that the recommended
27 rate increase will not solve the problem of the unacceptable results in Newfoundland and
28 Labrador; and
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30 **WHEREAS** based on the record the Board finds that several proposed changes to the
31 automobile insurance rating program have not been fully justified; and
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33 **WHEREAS** the Board accepts the revised automobile insurance rating program with the
34 exception of the proposals in relation to: i) the conviction surcharges; ii) the Bodily Injury and
35 Property Damage analysis; iii) the health levy; iv) the finance fee revenues; and v) the
36 Underinsured Motorist claims experience; and

1 **WHEREAS** the Board accepts the estimate of unallocated loss adjustment expense proposed by
2 The Portage la Prairie Mutual Insurance Company but will require that the company collect its
3 own company specific data for future rate applications to the Board; and
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5 **WHEREAS** The Portage la Prairie Insurance Company may file a revised rating program for its
6 Private Passenger Automobiles class of business incorporating the findings of the Board as set
7 out in the Reasons for Decision to be issued separately.
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9 **IT IS THEREFORE ORDERED THAT:**

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- 11 1. The Application is denied.
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 - 13 2. The Portage la Prairie Mutual Insurance Company shall collect its own company specific
14 unallocated loss adjustment expense information for future rate applications to the Board.
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 - 16 3. The Portage la Prairie Mutual Insurance Company shall pay the costs of the Board associated
17 with this filing, including the costs of the actuarial review.

DATED at St. John's, Newfoundland and Labrador, this 25th day of October, 2013.

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

Cheryl Blundon
Board Secretary