

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

AN ORDER OF THE BOARD

NO. A.I. 7(2016)

1 **IN THE MATTER OF** the *Automobile*
2 *Insurance Act*, RSNL 1990, c. A-22, (the
3 "*Act*"), as amended and regulations
4 thereunder; and
5

6 **IN THE MATTER OF** an application by
7 Security National Insurance Company for
8 approval to implement revised rates for its
9 Private Passenger Automobiles class of
10 business.
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12
13 **WHEREAS** on December 9, 2015 Security National Insurance Company applied to the Board
14 for approval of a revised automobile insurance rating program for its Private Passenger
15 Automobiles class of business; and
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17 **WHEREAS** the rating program proposes rates that are higher than those currently approved by
18 the Board for certain coverages; and
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20 **WHEREAS** on January 27, 2016 the Board's actuarial consultants, Oliver Wyman Limited,
21 filed a report of findings with the Board which identified key areas of the filing for the Board's
22 consideration; and
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24 **WHEREAS** the Oliver Wyman Limited report was forwarded to Security National Insurance
25 Company for comment on February 4, 2016; and
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27 **WHEREAS** on February 11, 2016 Security National Insurance Company provided comments on
28 the Oliver Wyman Limited report in relation to minor errors in the report; and
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30 **WHEREAS** on February 15, 2016 Oliver Wyman Limited filed a revised report; and
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32 **WHEREAS** based on the record the Board finds that several proposed changes have not been
33 fully justified; and

1 **WHEREAS** the Board accepts Security National Insurance Company's proposals for its Private
2 Passenger Automobiles rating program with the exception of: (1) the complement of credibility,
3 (2) the profit provision, (3) the Health Levy, (4) the multi-line discount, (5) the loyalty discount,
4 (6) the driver excellence discount, and (7) the HST adjustment factor; and
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6 **WHEREAS** Security National Insurance Company may file a revised rate proposal for its
7 Private Passenger Automobiles class of business reflecting the findings of the Board as set out in
8 the Reasons for Decision to be issued separately.
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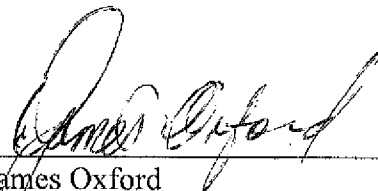
10 **IT IS THEREFORE ORDERED THAT:**
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- 12 1. The application is denied.
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14 2. Security National Insurance Company will be required to pay the costs of the Board
15 associated with this filing, including the costs of the actuarial review.

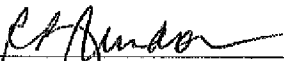
DATED at St. John's, Newfoundland and Labrador, this 3rd day of March, 2016.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary