

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

**AN ORDER OF THE BOARD**

**NO. A.I. 1(2018)**

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 **THE MATTER OF** an application by  
7 Aviva General Insurance Company for  
8 approval to implement a revised rating  
9 program for its Private Passenger  
10 Automobiles class of business.  
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12  
13 **WHEREAS** on October 2, 2017 Aviva General Insurance Company applied to the Board for  
14 approval of a revised rating program for its Private Passenger Automobiles class of business; and  
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16 **WHEREAS** the revised rating program proposed rates that are higher than those currently  
17 approved by the Board for certain coverages; and  
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19 **WHEREAS** on December 12, 2017 the Board’s consulting actuaries, Oliver Wyman Limited  
20 (“Oliver Wyman”), filed a report of findings with the Board; and  
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22 **WHEREAS** on December 13, 2017 the Oliver Wyman report was forwarded to Aviva General  
23 Insurance Company for comment; and  
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25 **WHEREAS** on December 14, 2017 Oliver Wyman filed a revised report of findings with the  
26 Board; and  
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28 **WHEREAS** on December 14, 2017 the revised Oliver Wyman report was forwarded to Aviva  
29 General Insurance Company for comment; and  
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31 **WHEREAS** on December 15, 2017 Aviva General Insurance Company advised it had no  
32 comment on the revised Oliver Wyman report; and  
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34 **WHEREAS** on December 22, 2017 the Board extended the 90-day review timeline; and  
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36 **WHEREAS** the Board finds that not all the assumptions used by Aviva General Insurance  
37 Company in calculating its rate level indications were fully justified but substituting the alternative

1 assumptions which Oliver Wyman considered reasonable would not reduce the rate indications  
2 below the proposed rates; and

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4 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.  
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7 **IT IS THEREFORE ORDERED THAT:**

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9 1. The revised rating program received October 2, 2017 from Aviva General Insurance Company  
10 is approved to be effective no sooner than June 1, 2018 for new business and for renewals.

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12 2. Aviva General Insurance Company will be required to pay the costs of the Board associated  
13 with this filing, including the costs of the actuarial review.

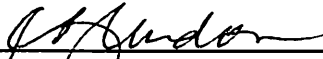
**DATED** at St. John's, Newfoundland and Labrador, this 29<sup>th</sup> day of January, 2018.



\_\_\_\_\_  
Darlene Whalen, P. Eng.  
Vice-Chair



\_\_\_\_\_  
Dwanda Newman, LL.B.  
Commissioner



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Cheryl Blundon  
Board Secretary