

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

AN ORDER OF THE BOARD

NO. A.I. 21(2019)

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
7 by Primmum Insurance Company for
8 approval to implement a revised rating
9 program for its Private Passenger
10 Automobiles, Motorcycles, All-Terrain
11 Vehicles, Snow Vehicles, Trailers,
12 Motorhomes, and Antique, Modern
13 Classic and Old Vehicles classes of
14 business.
15

16 **WHEREAS** effective January 1, 2020 changes to the *Act* and regulations thereunder come into
17 effect which include mandatory reforms of the automobile insurance product; and
18

19 **WHEREAS** the mandatory reforms include the introduction of Direct Compensation Property
20 Damage (“DCPD”) coverage for all vehicles and an increase in the deductible applicable to all
21 pain and suffering awards from \$2,500 to \$5,000; and
22

23 **WHEREAS** on November 5, 2019 the Board implemented a simplified “Reform” filing option
24 and Reform Filing Guidelines to expedite the approval of the mandatory reform changes; and
25

26 **WHEREAS** the Reform Filing Guidelines provide step-by-step procedures for splitting existing
27 Board approved Third Party Liability rates into rates for Bodily Injury, Property Damage-Tort and
28 DCPD sub-coverages as well as for reflecting the deductible increase into Bodily Injury rates; and
29

30 **WHEREAS** on November 12, 2019 Primmum Insurance Company applied to the Board for
31 approval of a revised rating program under the Reform filing option for its Private Passenger
32 Automobiles, Motorcycles, All-Terrain Vehicles, Snow Vehicles, Trailers, Motorhomes, and
33 Antique, Modern Classic and Old Vehicles classes of business; and

1 **WHEREAS** vehicles rated as Motorhomes and Antique, Modern Classic and Old Vehicles are
2 rated as dependent vehicles based on the rating program changes for Private Passenger
3 Automobiles; and

4
5 **WHEREAS** on November 25, 2019 the Board's actuarial consultants, Oliver Wyman Limited,
6 reported that the revised rating program is consistent with the Reform Filing Guidelines and is
7 supported; and

8
9 **WHEREAS** the Board is satisfied that the proposed rates are not too high in the circumstances.
10

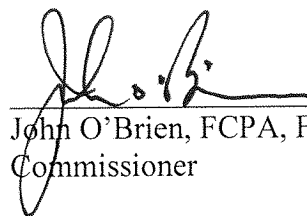
11
12 **IT IS THEREFORE ORDERED THAT:**
13

- 14 1. The revised rating program received November 12, 2019 from Primmum Insurance Company
15 for its Private Passenger Automobiles, Motorcycles, All-Terrain Vehicles, Snow Vehicles,
16 Trailers, Motorhomes, and Antique, Modern Classic and Old Vehicles classes of business is
17 approved to be effective no sooner than February 8, 2020 for new business and April 8, 2020
18 for renewals.

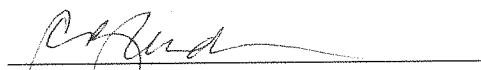
DATED at St. John's, Newfoundland and Labrador, this 29th day of November, 2019.



Darlene Whalen, P.Eng., FEC
Chair and Chief Executive Officer



John O'Brien, FCPA, FCA, CISA
Commissioner



Cheryl Blundon
Board Secretary