



**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**NOTICE OF HEARING**

**FACILITY ASSOCIATION APPLICATION  
FOR PRIVATE PASSENGER AND COMMERCIAL  
AUTOMOBILE INSURANCE RATES**

**DECEMBER 11, 2002**

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On September 9, 2002, the Newfoundland and Labrador Board of Commissioners of Public Utilities (the Board) received an application from the Facility Association (Facility), seeking an increase in rates charged to private passenger and commercial automobile insurance policy holders insured through the Facility Association mechanism in all areas of the province. Facility is the unincorporated non-profit association of insurers required by law to provide automobile insurance to those drivers who are otherwise unable to obtain insurance. Facility is referred to as the market of last resort for drivers who have been declined automobile insurance coverage by individual insurers.

Anyone currently insured through the Facility Association mechanism may be affected by the proposed increases. In the application Facility has requested an Order of the Board pursuant to Section 102 of the Insurance Companies Act:

- i) **Approving an increase in automobile insurance rates for the private passenger class of business insured through Facility as outlined below:**

<b>Private Passenger Automobile Insurance Proposed Average Rate Level Changes</b>							
<b>Rating Territory*</b>	<b>Liability</b>	<b>Accident Benefits</b>	<b>Uninsured Auto</b>	<b>Collision</b>	<b>Comprehensive</b>	<b>Specified Perils</b>	<b>All Coverage Combined</b>
1 (004)	+60.5%	+13.8%	+45.8%	-1.3%	-12.1%	-22.8%	+51.6%
2 (005, 007)	+38.4%	+13.8%	+45.8%	-12.0%	-19.7%	-20.6%	+28.1%
3 (006)	+54.0%	+13.8%	+45.8%	+5.4%	-1.8%	-4.1%	+37.7%
All	+51.7%	+13.8%	+45.8%	-5.5%	-14.1%	-20.5%	+41.3%

- ii) **Approving an increase in automobile insurance rates for the commercial class of business insured through Facility as outlined below:**

<b>Commercial Automobile Insurance Proposed Average Rate Level Changes</b>							
<b>Rating Territory*</b>	<b>Liability</b>	<b>Accident Benefits</b>	<b>Uninsured Auto</b>	<b>Collision</b>	<b>Comprehensive</b>	<b>Specified Perils</b>	<b>All Coverage Combined</b>
1 (004)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
2 (005, 007)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
3 (006)	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%
All	+59.2%	-12.3%	+216.7%	+20.4%	-18.4%	-43.9%	+48.3%

**\*The provincial rating territories are generally defined as follows:**

**Territory 1** consists of the Avalon Peninsula East of and including Ship Harbour and Old Shop.

**Territory 2** consists of the Island portion of the province excluding Territory 1

**Territory 3** consists of the Labrador portion of the province

## **HOW TO SEE THE APPLICATION:**

Copies of the application and documentation filed to date are available by request to the Board Secretary at the address below.

## **PRE-HEARING EVENTS:**

Notice of the application and the pre-hearing conference was published in newspapers throughout the Province beginning October 16, 2002. The pre-hearing conference was held on November 5, 2002, following which intervenors were identified and hearing procedures and dates set.

**START DATE OF THE PUBLIC HEARING:**

**The public hearing of Facility's application will take place at the Board's Hearing Room, Prince Charles Building, 120 Torbay Road, St. John's, beginning 9:00 A.M. on Wednesday, December 11, 2002.**

**HOW TO PARTICIPATE IN THE PROCEEDING**

- 1) **Oral Presentation** - Any person or organization who does not wish to formally intervene in the Application and thereby become a party in the proceeding, but who wishes to make a presentation to the Board, may request the opportunity to make an Oral Presentation. Persons or organizations interested in making an Oral Presentation must write to the Board outlining their interest in the proceeding, along with their address and telephone number. **Oral Presentation** requests **must be made on or before 4:00pm, Friday, December 6, 2002** and should be addressed to the Board Secretary, who will subsequently contact the parties.
- 2) **Letter of Comment** - Any interested person or organization who does not wish to intervene or make an Oral Presentation may file a Letter of Comment for the consideration of the Board. All Letters of Comment must clearly state the person's interest in the proceeding, and the person's views regarding the proceeding, together with any relevant information that may be useful in explaining or supporting those views.  
**The Board will accept all Letters of Comment received before the closing day of the hearing.**
- 3) **Interested Persons who do not wish to formally participate in the hearing are welcome to attend and observe the hearing.**

**HOW TO CONTACT THE BOARD**

All correspondence and requests for further information should be addressed to the Board Secretary at the address set out below. The Board encourages the electronic filing of documents and the Board's Information Technology Officer is available to support this type of filing at 709-726-1158; toll free 1-866-782-0006; or by e-mail at: [ito@pub.nf.ca](mailto:ito@pub.nf.ca)

Copies of the Board's legislation and regulations are available for viewing on the Board's website at [www.pub.nf.ca](http://www.pub.nf.ca) or at the Board's office.

**BOARD CONTACT INFORMATION:**

Office: Suite E210, Prince Charles Building, 120 Torbay Road, St. John's

Mail: P.O. Box 21040, St. John's, NL, A1A 5B2

Telephone: 709-726-8600 or 1-866-782-0006 (toll free)

Facsimile: 709-726-9604

E-mail: [ito@pub.nf.ca](mailto:ito@pub.nf.ca)

**Dated** at St. John's, Newfoundland and Labrador, this 20<sup>th</sup> day November, 2002.

Cheryl Blundon  
Board Secretary