



New Brunswick
INSURANCE
Board

ANNUAL REPORT

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March 1, 2016

The Honourable Stephen Horsman
Minister of Justice
Province of New Brunswick
P.O. Box 6000
Fredericton, NB
E3B 5H1

Dear Minister:

On behalf of the Members of the New Brunswick Insurance Board and in compliance with section 19.9 of the *Insurance Act*, I am pleased to submit our Annual Report for the 2015 calendar year. The report contains an overview of our activities for the year as well as our audited financial statements for the 2014-2015 fiscal year ending March 31, 2015.

Respectfully submitted,

A handwritten signature in black ink, which appears to read 'Jean LeBlanc'.

Jean LeBlanc

Vice-Chair
New Brunswick Insurance Board

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| Message from the Vice – Chair



Jean LeBlanc

Fulfilling the Mandate of the Board

On behalf of the New Brunswick Insurance Board and our recently retired Chair, Paul D'Astous, I am pleased to present the New Brunswick Insurance Board's Annual Report for the year ended December 31, 2015. For eleven years, the NBIB has worked steadily to fulfill its mandate to ensure that auto insurance rates for New Brunswick

drivers are just and reasonable.

As noted in our last report, the impact of the 2013 reforms to minor injury regulations is continuing. Higher claims costs for insurers as a result of the reforms are now being reported as the statistical data for 2013 and 2014 is developed. These increased costs lead directly to upward pressure on rates as insurers seek to ensure that they are able to achieve rate adequacy. The NBIB continues to be diligent in ensuring that any requested changes in rates by insurers is fully justified by statistical data.

Rates in 2015 and Outlook for 2016

As we noted in our last report, final rate approvals for 2015 averaged a reduction of approximately 1% overall. The average annual premium in the regular market was approximately \$700. However, as always, we provide the caveat that every driver has unique circumstances and therefore a unique driving profile and that individual premium results can vary significantly.

Based on the initial analysis of the 2016 rate applications, it appears that we have entered a period where modest annual rate increases may once again become normalized. After a decade of seeing steadily declining claims costs, insurers are now beginning to have sufficient data to show the impact of the 2013 minor injury reforms on claims costs. The ultimate expected impact may be very close to the consensus that emerged from the Board's generic hearing into the issue in fall 2013.

Average rate increases of approximately 2.5% were requested in this year's rate applications. Four companies requested rate increases in excess of 3% requiring the Board to conduct full hearings into these applications. These hearings are on-going as of the date of this report.

Efficiencies and Effectiveness of the Board

Even after more than ten years of operations, the New Brunswick Insurance Board continues to be committed to finding improvements in its processes and procedures. The Board recognizes that in the coming years, with the prospect of a larger number of insurers seeking rate increases, there could be a much higher volume of full hearings required each year. The full hearing process is much more time intensive for Board and staff. As well, because of the requirement for insurers to file for approved rates annually, the rate hearing process is very time sensitive.

The Board is continually making refinements to its hearing processes in order to facilitate the higher number of hearings while being procedurally fair to all parties to those hearings. This year, as permitted by legislation, the Board is conducting its rate hearings utilizing a written format but has added an electronic component to the hearings in the form of cross-examination by teleconference call. This adjustment will allow for a full examination of the rate applications by the Board and it will allow parties to the hearings an opportunity to directly cross-examine witnesses. However, this format adds a great deal of flexibility to the scheduling and eliminates a large expense by avoiding the need for parties to travel for the rate hearings.

Other projects undertaken in 2015 included a review of filing processes for miscellaneous vehicles such as ATVs, motorcycles and snowmobiles to ensure that consumers are always paying insurance rates that are just and reasonable. In a smaller market like New Brunswick, it can be difficult to have enough statistical data to fully justify rates. The Board is considering options such as pooling some data with the other Maritime Provinces to see if this issue can be overcome while ensuring that New Brunswick drivers of these vehicles continue to pay reasonable rates for insurance.

The Board also completed an update of its policies and procedures and it continues to modernize its filing guidelines for insurers. Staff training and upgrading for our analysis staff continues and Board member training is always ongoing both in technical analysis and in the area of administrative law.

In 2015, New Brunswick hosted the annual meeting of the Canadian Auto Insurance Rate Regulators Association (CARR) for the second time. Although originally scheduled for St. John's NL, our fellow regulators in Newfoundland and Labrador asked the NBIB if we could take their place because of unexpected burdens relating to electricity rate hearings. The Board was happy to oblige and in September, we welcomed 35 delegates from across Canada to Saint John for the 9th annual conference.

Topics at the conference included: the coming era of self-driving cars, the academic perspective on auto insurance rate regulation, regulation of 'small' insurers, ensuring just and reasonable rates for miscellaneous classes and the availability of technology for 'DUI' convicted drivers. We were also able to welcome New Brunswick's Minister of Justice, Hon. Stephen Horsman who was able to provide updates about potential changes to this province's drinking and driving laws.

The next few years will continue to be challenging ones given the expected upward pressure on auto insurance rates. However, we are fortunate to have a very competitive insurance market in NB and this should act as a mitigating factor in rate increases in the coming years. New Brunswick Insurance Board members are drawn from all regions of the province and from all walks of life. By dedicating themselves to their responsibilities as New Brunswickers working on behalf of their fellow citizens, the Board is well positioned to meet the challenges ahead and to continue ensuring that New Brunswick consumers are paying auto insurance rates that are just and reasonable.

Jean LeBlanc
Vice-Chair, New Brunswick Insurance Board

| The Board

The New Brunswick Insurance Board (NBIB or the Board) is a quasi-judicial administrative tribunal established through legislation by the Government of New Brunswick in 2004 as the regulatory agency tasked with overall supervision of automobile insurance rates in New Brunswick. The NBIB is an independent agency that operates at arm's length from government.

The *Insurance Act* requires that insurers file their proposed rates at least once every 12 months. All filings are reviewed in order to ensure the proposed rates are just and reasonable.

As of December 31, the Board was comprised of the Chair, Vice-chair and nine other members. In addition to the CEO, Paul D'Astous, the Board currently employs seven employees. Mr. D'Astous' term of office ended December 31, 2015

Mission

The Board's mission is to regulate automobile insurance rates under the *Insurance Act* for all companies doing business in the Province of New Brunswick and to ensure procedural fairness to all parties appearing before the Board. The Board will ensure New Brunswick auto insurance rates are:

- Just and reasonable

and to the greatest extent possible;

- Based on New Brunswick driver experience
- Based on New Brunswick company experience
- Based on comparison to other provinces in Atlantic Canada



Did you know?

That the NBIB marked 11 years in operation during 2015. As it was in 2004, the Board's mandate is to ensure just and reasonable auto insurance rates for NB consumers.

Members

As of December 31, 2015, the NBIB was comprised of the following members:



Paul D'Astous
Chairman



Jean Leblanc
Vice-Chairman



Ferne Ashford



Georges Leger



Heather Stephen



Roy Therrien



Marven Grant



Katherine Munro



Andrew Dawson



Jim Jessop



Francine Kanhai

During 2015, the terms for Paul D'Astous and Kenneth Cochrane ended. The Board is grateful for their service. Two new members were appointed for three year terms: Katherine Munro of Saint John and Francine Kanhai of Saint Andre.

Board Governance

The Chair is responsible for administering the *Insurance Act* as it relates to the Board and for the overall performance and management of the Board. The Chair is also the Chief Executive Officer (CEO) of the Board; therefore, the daily operation of the Board is under the leadership of the CEO.

Board members have the powers and privileges of a commissioner under the *Inquiries Act* and the Regulations under that Act. The Board may make rules governing its procedures and has full jurisdiction to hear and determine all matters, whether of law or fact.

The Board, when directed by the Chair to sit for any particular purpose or situation, may act as a full Board or as a panel of the Board. Generally, the Board reviews rate applications as a panel and considers other issues as a full Board.

| Rate Review Process

The Board reviews each and every rate application for auto insurance annually.

The rate applications are reviewed by the Board staff and/or the Board's consulting actuaries from Ernst & Young or KPMG. The rigorous process involves discussions with the insurers to clarify processes, to question the assumptions used and to ensure that the rate applications are prepared using sound actuarial practices and procedures. The review examines and questions the trends that are being used in the rate calculations, the insurers actual experience compared to what had been projected and the nature of the insurer's book of business.

After the initial review is completed, if the rate application does not trigger an automatic hearing, as required by the *Insurance Act*, it is passed to a review panel of the Board consisting of three members. The review panel will examine the final version of the rate application and will make a recommendation to the Chair as to whether the rate application requires further investigation or not.

If the application requires further investigation, the Chair can order that the rate application proceed to a hearing where the insurer will have to defend the rate application before another panel of the Board and any intervenors such as the Office of the Attorney General or the Consumer Advocate for Insurance.

The review process is designed to focus on the issue of whether rates proposed are just and reasonable, given the information that is currently available. That review includes the actual company information, the industry information and other information about the current state of the insurance marketplace.

In 2015, the Board received rate applications from companies, Facility Association (FA) and IAO Actuarial Consulting Services Inc. (IAO) for private passenger vehicles and various types of commercial, interurban and miscellaneous vehicles as well as other non-rate filings (See Appendix A for more details).

The Board reviewed a total of 383 filings in 2015 which included:

- **40** private passenger vehicle rate filings
- **32** commercial and interurban vehicle rate filings
- **257** miscellaneous vehicle rate filings including, motorcycles, ATVs, snowmobiles, buses, taxis etc.
- **54** other filings including: updating rate group tables, proposed changes to endorsements, and proposed changes to rating rules.

Consulting Actuaries

As noted in the 2012 Annual Report, the Board issued a Request For Proposal in 2012 to renew our consulting actuary contracts through a competitive process. Ernst & Young and KPMG continue to provide a wealth of world-class talent and experience to the actuarial review process and have provided the NBIB with excellent advice and support since their appointment.

Key members of the teams include:

Ernst & Young

Liam McFarlane

Partner and Canadian Actuarial Practice Leader, Advisory Services

Liam McFarlane is the leader of Ernst & Young's Canadian actuarial practice. He is a fellow of the Canadian Institute of Actuaries as well as the Casualty Actuarial Society. He is also a member of Ernst & Young's global working group addressing pending changes to the International Accounting Standards Board (IASB) International Financial Reporting Standards (IFRS) insurance contracts (IFRS 4 - Phase II).

Liam has over 25 years of experience in the Canadian property and casualty insurance industry. Prior to joining Ernst & Young, Liam gained extensive experience as a senior insurance executive as well as a consulting actuary working with insurers, reinsurers, captives, professional associations and financial institutions across most of the major lines of insurance in Canada. He is the Appointed Actuary to a number of insurers as well as the Facility Association and acts as actuary to the General Insurance Statistical Agency (GISA).

Liam has participated in many industry and professional committees over his career. He is currently the chairperson of the Committee on Professional Conduct of the Canadian Institute of Actuaries.

Cosimo Pantaleo

Senior Manager, Advisory Services

Cosimo Pantaleo is a Senior Manager in the Insurance and Actuarial Advisory Services practice within Ernst & Young LLP. He is a fellow of the Canadian Institute of Actuaries as well as the Casualty Actuarial Society.

Cosimo has 20 years of experience in the Canadian property and casualty insurance and reinsurance industry. Prior to joining Ernst & Young, Cosimo gained extensive experience as a senior consulting actuary working with insurers, reinsurers, captives, professional associations and financial institutions across most of the major lines of insurance including professional liability insurance, medical malpractice, property, private passenger and commercial automobile, miscellaneous vehicles, travel insurance as well as other lines of insurance and reinsurance.

Diana Tse

Manager, Advisory Services

Diana Tse is a Manager in the Insurance and Actuarial Advisory Services practice of Ernst & Young LLP. She is an associate of the Canadian Institute of Actuaries as well as the Casualty Actuarial Society. Diana joined Ernst & Young in 2011, and provides support in pricing, loss reserving, dynamic capital adequacy testing (DCAT), and other property and casualty insurance related projects.

Diana has over 5 years of experience in the Canadian property and casualty insurance and reinsurance industry. Prior to joining Ernst & Young Diana gained experience at an actuarial consulting firm working with insurers and reinsurers across major personal and commercial lines of insurance.

Jamie Phone

Senior Analyst, Advisory Services

Jamie Phone is a Senior Actuarial Analyst in the Insurance and Actuarial Advisory Services practice of Ernst & Young LLP. Jamie joined Ernst & Young in 2013, and provides support in pricing, loss reserving, dynamic capital adequacy testing (DCAT), and other property and casualty insurance-related projects.

Jamie has 8+ years of experience in the Canadian property and casualty insurance industry. Prior to joining Ernst & Young LLP, Jamie gained actuarial experience working for a major insurance company in the loss reserving and new product development divisions.

KPMG**Pierre Lepage, FCIA, FCAS**

Partner and Business Leader, P&C Actuarial, KPMG Canada

Pierre Lepage is a Partner of KPMG Canada leading the P&C Actuarial Practice in Canada. He is a Fellow of the Canadian Institute of Actuaries with over 25 years of experience in the P&C insurance industry in Canada and the United States. At KPMG, he consults to insurance companies in dealing with all aspects of risk and capital management and in optimizing their growth strategies. His team of actuaries also supports the audit professionals serving the insurance clients of KPMG. Prior to joining KPMG, he was an insurance executive, leading underwriting operations in personal and commercial insurance for two major insurance companies. Pierre has also worked closely with provincial crop insurance programs and has influenced the self-sustainability framework of these programs and other governmental supported programs across the country. He has been actively involved in the actuarial community and currently serving on the Committee on Risk Management and Capital Requirement of the CIA and on the Committee on Dynamic Risk Modelling of the Casualty Actuarial Society.

Anh Tu Le, ACIA, FCAS

Senior Manager, P&C Actuarial Services

Anh Tu Le is a Senior Manager of KPMG Canada, working in the P&C Actuarial Practice. She provides audit support to a wide range of P&C insurers as well as specialized support to P&C insurers in the development of their Own Risk and Solvency Assessment (ORSA). Prior to joining KPMG, Anh Tu served as Vice-President and Reserving Actuary at one of the largest P&C insurance companies in Canada and developed expertise with Economic Capital and Solvency II while working in the UK. She has expertise in underwriting, pricing and reserving for

personal and commercial lines in Canada. Anh Tu serves as a member of the Property & Casualty Insurance Working Group on Economic Capital. Since 2014, Anh Tu is a co-instructor teaching introductory courses on P&C topics at the University of Toronto.

Rachel Dutil, FCIA, FCAS

Senior Manager, P&C Actuarial Services

Rachel Dutil is a Senior Manager of KPMG Canada, working in the P&C Actuarial Practice. She serves as peer review actuary and audit support actuary to a wide range of P&C insurers and has provided automobile ratemaking support for the Facility Association and other P&C insurers. She has expertise in Canadian automobile insurance and has provided services in the quantification of automobile reforms in the provinces of Alberta, New Brunswick, and Nova Scotia as well as in pricing and reserving for private passenger and commercial automobile insurance. Rachel is an active volunteer with the Canadian Institute of Actuaries (CIA) Practice Council and the Committee on Continuing Education Property and Casualty Insurance Subcommittee.

Accountability

By legislation, the NBIB is obligated to report its previous year's activities to the Minister of Justice by March 1st. This report highlights activities and accomplishments of the 2015 calendar year. The Board also appears before the Standing Committee on Crown Corporations when requested to report on its activities. The Board made its last appearance on October 4, 2013 to report on its 2011 Annual Report.

As legislated by the *Insurance Act*, the operating costs of the NBIB are charged back to the insurance industry through annual assessments. Audited financial statements are produced each year. The financial statements for the fiscal year ending March 31, 2015 are attached in Appendix B.

Board members participate in the review process conducted by the NBIB and in training and information sessions conducted throughout the year. In addition to regular rate reviews held throughout the year, the Board held training and information sessions in May and September for all Board members and orientation training for new Board members in September.

Canadian Automobile Insurance Rate Regulators Association

As noted in the message from the Vice-Chair, the Board hosted the 9th annual conference for CARR in Saint John from September 20-23. Thirty-five delegates from across Canada attended the 3 day conference at the Hilton Hotel located on the beautiful Saint John waterfront. Board staff were instrumental in successfully organizing and hosting the event.

CARR has evolved into a very valuable resource for rate regulators across Canada with regular sharing of best practices, the development and delivery of training programs. CARR also provides regulators with a venue to discuss potential regulatory trouble spots and to look for common solutions.

Whether it be surveying what we as an organization can do to make the filing process more effective across all jurisdictions, being on the Executive Committee, planning the annual spring training seminar, developing and maintaining the CARR website or preparing and publishing the bi-annual CARR Emissions newsletter, we have been a major contributor with our time, skills and energy. The NBIB staff have always been an integral part of this Association and plan to continue in this leadership role.

Council of Canadian Administrative Tribunals (CCAT)

CCAT is a national non-profit organization dedicated to promoting excellence in administrative justice. It provides a forum for discussion, education, research, and policy development in the field of administrative justice.

Created in the mid-1980s, CCAT's goals are to:

- Enhance and expand contact among members of the administrative justice community
- Promote awareness of the role and importance of administrative justice in everyday life
- Speak out on issues of importance to the administrative justice community, and
- Provide support and services of value to its membership

The NBIB has been involved with CCAT since 2006 and takes an active part in its ongoing educational activities. Board Chairman Paul D'Astous was very actively involved in bringing the CCAT Annual Symposium to Moncton in May 2015. Nearly 150 delegates from Canada, the U.S. and a number of other countries attended the 3 day symposium at the Delta Beausejour.

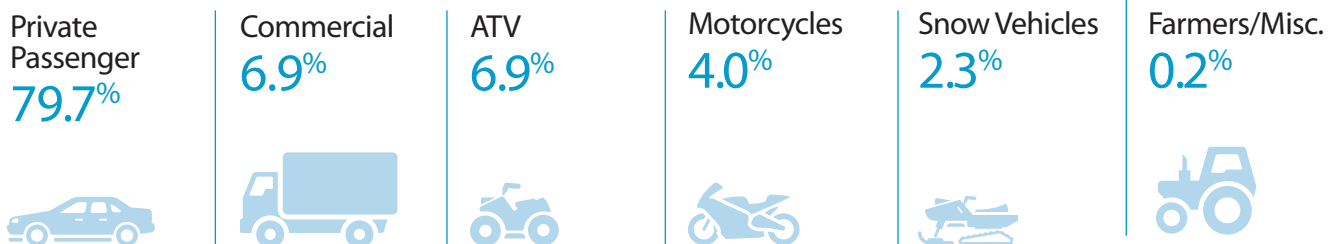


Did you know?

That the NBIB was a key founding member of CARR and hosted the original national conference in 2007. NB hosted the 9th national conference in 2015.

New Brunswick Market

Based on GISA data, the breakdown of the types of vehicles in the New Brunswick automobile insurance market in 2014, the most recent year for which data is available, is as follows:



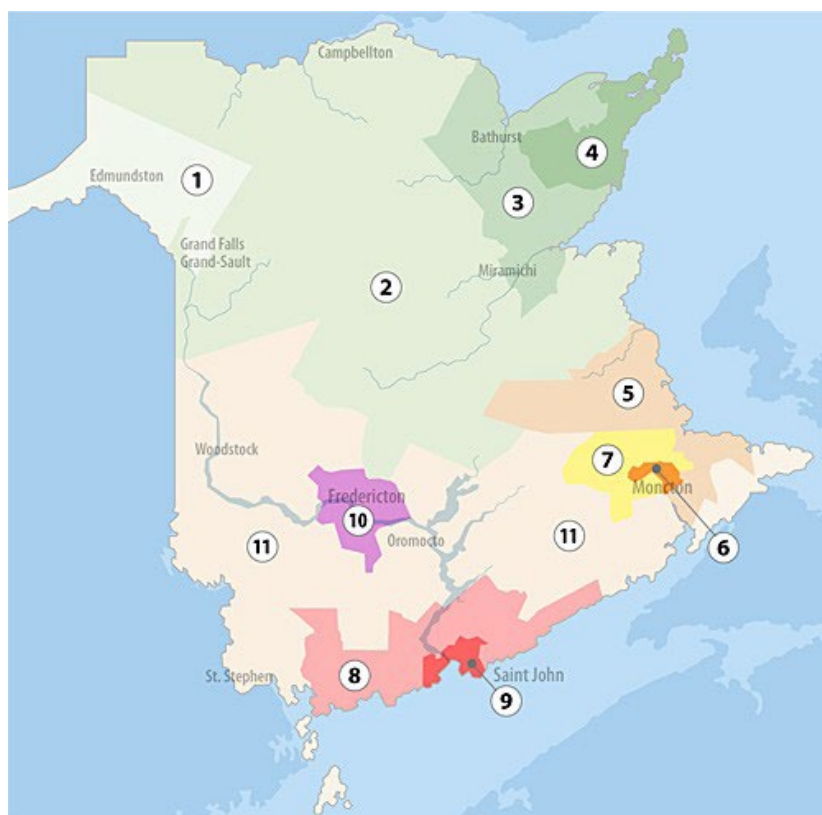
Source: GISA 2014 Auto 1003 ATL and AUTO1010-ATL

Territories

The New Brunswick government introduced an eleven territory statistical rating system effective 2008. The revised territories were created based on relevant factors such as traffic patterns and vehicle density, terrain, road conditions, speed limits, crime rates and weather conditions.

The territories are divided based on Forward Sorting Area (FSA) codes, which are the first three characters of a postal code. A list of FSAs by territory is available on the Board's website.

Based on GISA 2014 NB private passenger automobile data, the map below illustrates how vehicle exposures are distributed throughout the eleven statistical territories within the province. The four territories in northern New Brunswick (1-4) represent 31% of vehicle exposures. The seven territories (5-11) within southern New Brunswick represent 69% of vehicle exposures.

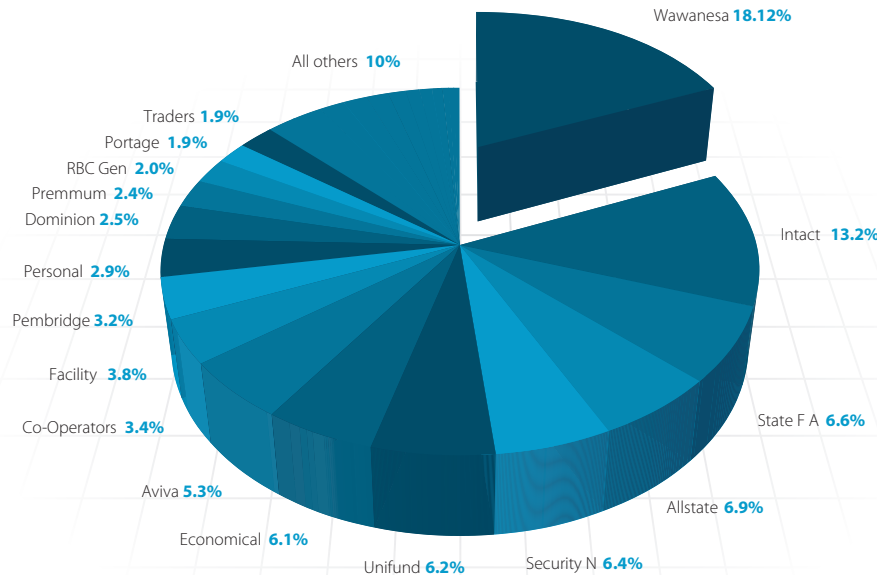


Territory	2014 Written Vehicles Distribution
1	5.6%
2	9.8%
3	8.8%
4	6.8%
5	7.6%
6	9.0%
7	7.6%
8	9.5%
9	7.1%
10	11.7%
11	16.5%

Source: GISA 2014 Auto 3003 NB

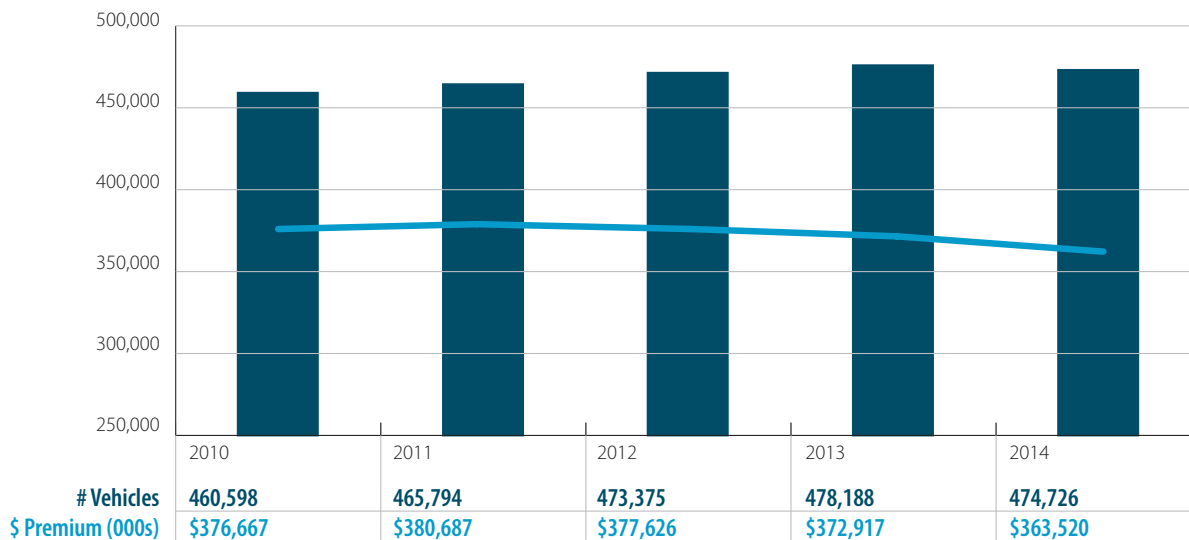
Private Passenger Vehicles

There are 40 insurance companies within the private passenger market in New Brunswick. Based on the information contained within the 2015 rate filings submitted to the NBIB, the standard market share breaks down as follows:



2014-15 NB PPV Market Share

NB Private Passenger Written Vehicles and Premiums 2009-2014



Source: GISA AUTO1010-ATL

In reviewing the data, the previous five years the number of vehicles in New Brunswick has been steadily increasing with the exception of 2014. Over the same time there has been very little change in total premium dollars. In other words, more vehicles are being insured for less average premium. The graph above helps illustrate this information.

Insurance Company Groups

Allstate Group

- Allstate Insurance Company of Canada
- Pembroke Insurance Company
- Pafco Insurance Company

Aviva Group

- Aviva Insurance Company of Canada
- Elite Insurance Company
- Scottish & York Insurance Company Limited
- Traders General Insurance Company

Co-operators Group

- Co-operators General Insurance Company
- COSECO Insurance Company
- CUMIS General Insurance Company
- Sovereign General Insurance Company (The)

Desjardins Group

- Personal Insurance Company (The)
- Certas Home and Auto Insurance Company

Economical Group

- Economical Mutual Insurance Company
- Waterloo Insurance Company
- Perth Insurance Company

Echelon Group

- Echelon General Insurance Company
- Insurance Company of Prince Edward Island

Intact Group

- Intact Insurance Company
- Trafalgar Insurance Company of Canada

Northbridge Group

- Federated Insurance Company of Canada
- Northbridge General Insurance Company
- Northbridge Personal Insurance Corporation
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Zenith Insurance Company

Royal and Sun Alliance Group

- Royal and Sun Alliance Insurance Company of Canada
- Unifund Assurance Company

TD Group

- TD Home and Auto Insurance Company
- Primmum Insurance Company
- Security National Insurance Company

Companies That are Not Part of a Group

- Ace INA Insurance
- Arch Insurance Company
- CAA Insurance Company (Ontario)
- Dominion of Canada General Insurance Company (The)
- Guarantee Company of North America (The)
- Liberty Mutual Insurance Company
- Lloyds Underwriters
- Portage la Prairie Mutual Insurance Company (The)
- Promutuel de l'Estuaire
- Protective Insurance Company
- RBC General Insurance Company
- United General Insurance Corporation
- Wawanesa Mutual Insurance Company (The)
- XL Insurance Company
- Zurich Insurance Company

Facility Association

The Facility Association is an unincorporated non-profit organization of all automobile insurance providers operating in several provinces including New Brunswick. Provincial legislation requires all automobile insurers to be a member of FA. Facility Association does not issue insurance policies, but works with insurance companies that issue policies and handle claims on its behalf.

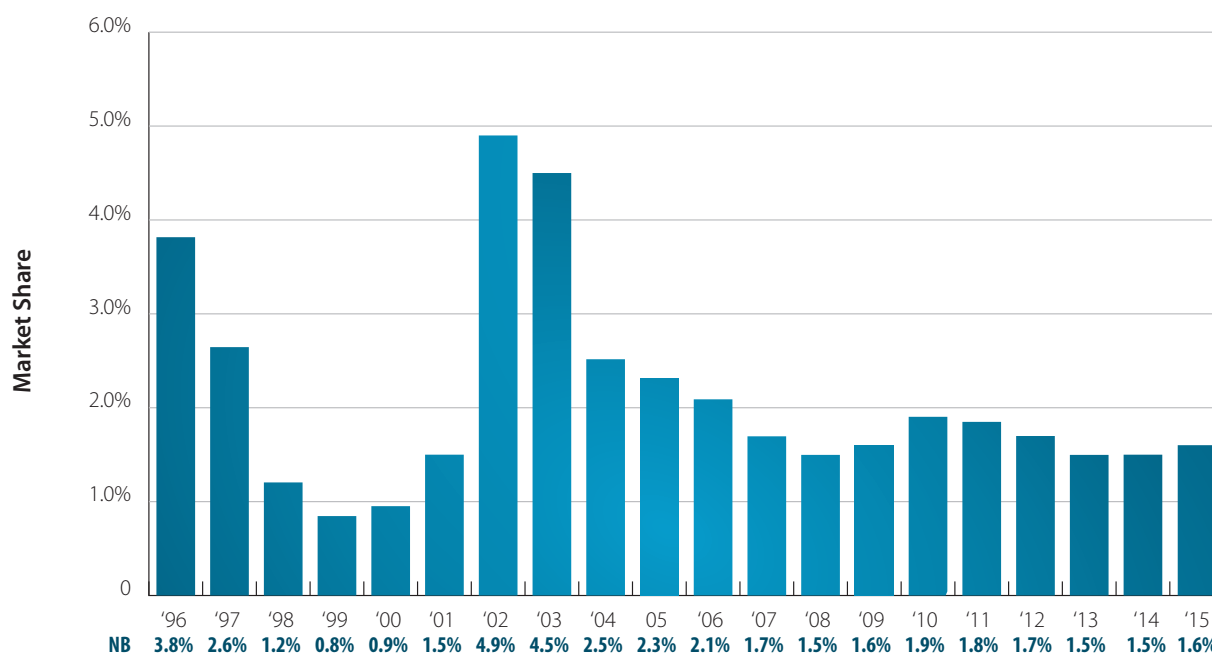
FA's mandate is to ensure the availability of auto insurance to all owners and operators of motor vehicles who would otherwise have difficulty obtaining insurance. It is referred to as the "insurer of last resort" for higher risk drivers.

For 2015 private passenger vehicle rates, FA was approved for no change to current rates (0.00%). This approval is available on the NBIB website.

Over the past number of years, market share for FA has declined from a peak in 2002 and is currently at 1.6% of the market on a vehicle basis. By Canadian standards, a residual market at 2% or less is considered to be an indicator of a very healthy overall insurance market.

New Brunswick Private Passenger Vehicles Market Share 1996 to 2015

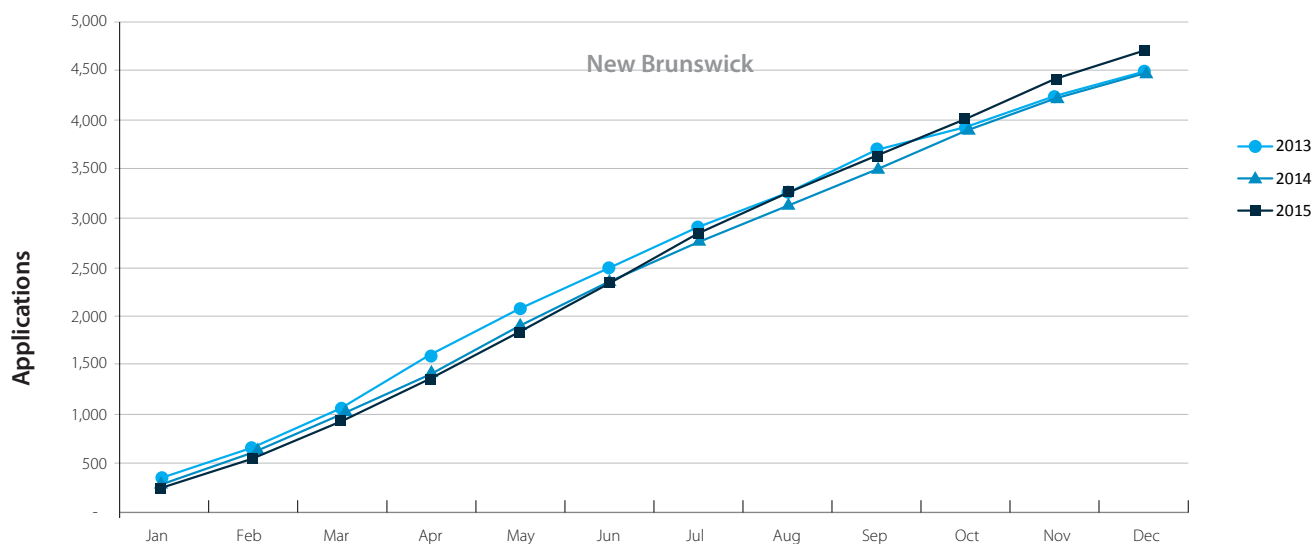
Residual Market Segment Private Passenger Market Share New Brunswick



Source: www.facilityassociation.com

Facility Association Monthly New Business - Private Passenger Vehicles

Summary Comparison: 2013 onwards PPV

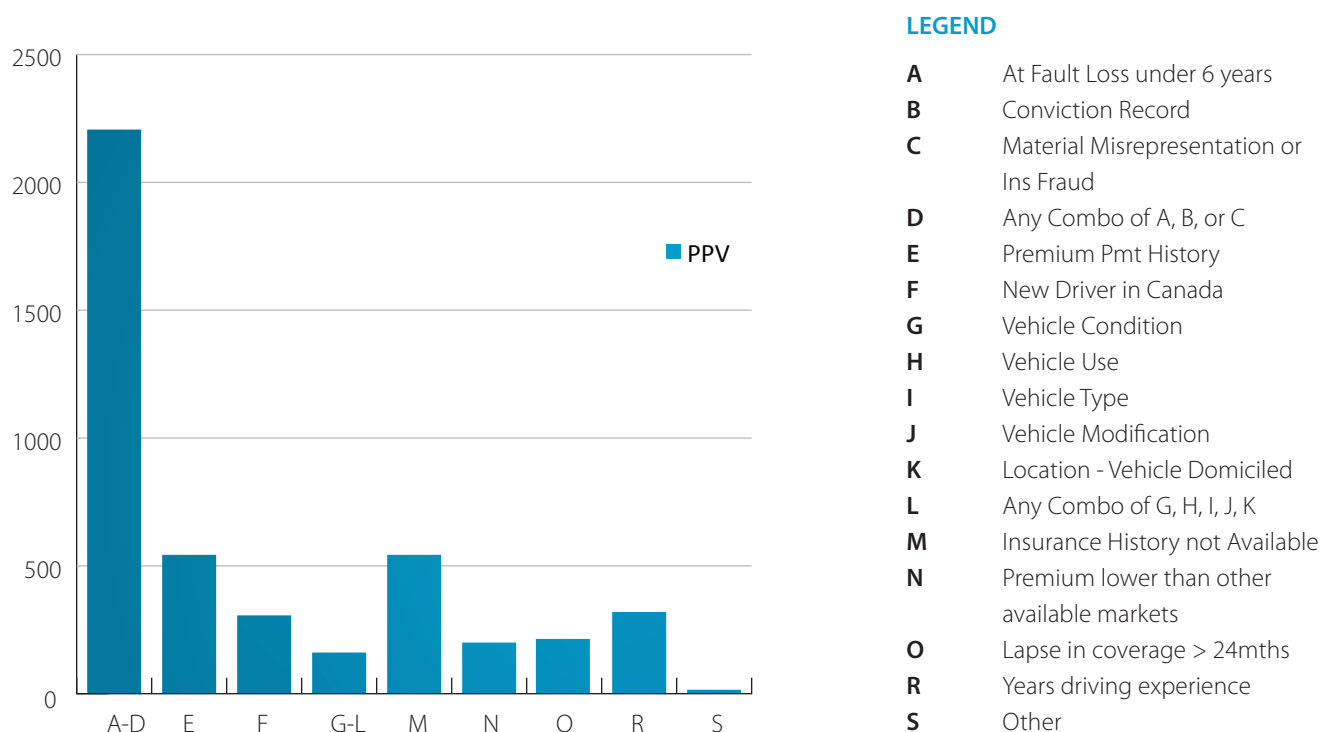


Source: www.facilityassociation.com

This chart illustrates the number of new applications received in a given year and provides a monthly year-to-date comparison with the prior years. It tracks the number of applications received each month on a cumulative basis. The end result in December is the total number of applications

received for the calendar year. A line with a 'steeper' slope indicates applications are being received at a faster rate than other years, while a line with a more gradual slope means applications are being received at a slower rate.

FA Reasons - New Brunswick - Private Passenger Vehicles 2015



Source: Facility Association

IAO Actuarial Consulting Services Inc.

IAO Actuarial Consulting Services Inc. is an advisory organization that develops automobile insurance rates for the insurance industry. As such, IAO does not write any insurance policies, but develops rates for private passenger, commercial, miscellaneous and interurban vehicles. At the request of the Board, those rates are submitted for approval.

Once approved by the NBIB, insurance companies with smaller lines of business or new entrants to the market may adopt the approved IAO rates for their own use. Typically, these smaller companies do not have enough data to develop rates per the Board's filing guidelines using their own experience.

IAO filed for an average rate charge of 5.4%. The IAO rate application is currently under review at the time of publication.

| Understanding Insurance Rates

Insurance Premiums

A number of factors help determine car insurance premium:

Where you live: If you live in a city, collisions and auto theft are more likely, which may translate into higher premiums.

What car you drive: A car's make, model, year, value and potential repair costs are associated with risk factors. For example, some cars fare better than others in collisions, resulting in fewer injuries and minimal car damage. In determining your car's risk and expected claim severity, your insurance company may look to the Canadian Loss Experience Automobile Rating (CLEAR) system of rating vehicles.

What you use your car for: The more a car is driven, the higher the collision risk. Higher premiums may result if a car is driven often or for long distances.

Your driving record: A long driving history with no collisions can help keep premiums down while collisions where you are at fault may increase your premiums. Speeding tickets and other moving violations may also increase premiums. Parking tickets do not affect premiums.

Your driver profile: The more comprehensive the coverage, the higher the premium may be.

Other factors: In the highly competitive field of insurance, prices are also affected by the interplay of market forces, government regulations, taxes at all levels, discounts and unpredictable catastrophic events. It is important to note that there is no one-size-fits-all method used to determine premiums – not all 30-year-olds living in urban areas and driving Fords pay the same premium.

These factors do not affect car insurance premium:

The colour of your car: Contrary to popular belief, the colour of your car does not affect your premium. You will not be asked the colour in your car insurance application.

Whether your car is foreign or domestic: Premiums are not necessarily higher for foreign cars than domestic ones.



Did you know?

Insurance is an annual or semi-annual product based on what an insurance company estimates it will need to pay claims in the coming year.

Minimum Required Auto Insurance Coverage in New Brunswick

Section A Coverage

Compulsory minimum Third-party Liability Coverage	\$200,000 is the minimum required limit offered on any auto policy. The limit of Third Party Liability purchased by the policy holder is the amount available for any one accident involving claims for bodily injury and/or property damage
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Section B Coverage

Accident Benefit Coverage, Medical payments	\$50,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years
Accident Benefit Coverage, Funeral expense benefits	\$2,500
Accident Benefit Coverage, Disability income benefits	104 weeks partial disability; lifetime if totally disabled; maximum \$250/week; must be disabled for at least 7 days to qualify; unpaid housekeeper \$100/ week, maximum 52 weeks
Accident Benefit Coverage, Death benefits:	Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$50,000, plus \$1,000 to each dependent survivor after first; death of spouse/partner \$25,000; death of dependant \$5,000

Optional Coverages

Collision / Comprehensive

What is covered—the driver, the passengers and anyone else involved in a collision involving your car on your policy, the car itself.

What is not covered—briefcases, purses, sport equipment, smart phones or other items that may be stolen from your car or damaged in a collision may be covered by your home, condominium or tenant insurance

Borrowing and Lending a car

- Must have/give permission
- Must not be a regular pattern, if so the other driver must be listed on the policy
- Must legally be allowed to drive in NB

Any accidents involving the insured car go against the policyholder not the person driving.



Did you know?

Companies compete for customers by offering a different mix of price, coverage and service.

Canadian Loss Experience Automobile Rating

The Canadian Loss Experience Automobile Rating system identifies the average size and frequency of insurance claims for most makes and models of cars. Most insurance companies use CLEAR to rate vehicles based on their safety record and the cost to repair or replace them, and then offer lower premiums to drivers who buy cars with better ratings. For example, some vehicles may be more susceptible to theft than others; some may be better designed and less likely to sustain serious damage; some are less expensive to repair; and some protect their occupants in collisions better than others.

New Brunswick - Top 10 Stolen Vehicles 2015

Make	Model	Body Style	Year
FORD	FREESTYLE WAGON	SUV	2006
DODGE/PLYMOUTH	NEON	4DR 4D	1998
FORD	FOCUS ZX5	5DR 4D	2004
Dodge	DURANGO	4DR 4WD SUV	2003
TOYOTA	RAV4	4DR 4WD SUV	1998
CHEV/GMC/OLDS	BLAZER/JIMMY/BRAVADA S SERIES	4DR 4WD SUV	2004
FORD	F350 SD	4WD PU	2005
ACURA	TSX	4DR 4D	2004
JEEP	GRAND CHEROKEE	4DR 4WD SUV	2003
HONDA	CIVIC Si	2DR COUPE 2D	2010

Source: www.abc.ca, Top Ten Stolen Vehicles NB 2015

Appendix A – Filings Reviewed in 2015

Filing Guidelines

The NBIB filing guidelines detail for industry the manner and specifications that will be expected in filings made throughout the year. The guidelines are posted on the NBIB website.

List of 2015 PPV Rate Filings

Insurance Company Name	Date Of Filing	Rate Change	
		Proposed	Approved
Ace INA Insurance	15/03/20	0.00%	0.00%
Allstate Insurance Company of Canada	15/09/15	2.95%	2.95%
Aviva Insurance Company of Canada	15/09/15	2.95%	2.95%
CAA Insurance Company (Ontario)	15/09/15	2.99%	2.99%
Certas Home and Auto Insurance Company	15/09/15	-5.07%	-5.07%
Co-operators General Insurance Company	15/09/15	2.04%	2.04%
COSECO Insurance Company	15/09/15	1.83%	1.83%
CUMIS General Insurance Company	15/09/15	1.99%	1.99%
Dominion of Canada General Insurance Company	15/09/15	2.71%	2.71%
Echelon General Insurance Company	15/01/15	-19.51%	-19.51%
Economical Mutual Insurance Company	15/09/15	2.99%	2.99%
Elite Insurance Company	15/01/15	-6.00%	-6.00%
Federated Insurance Company of Canada	15/03/20	-4.63%	-4.63%
IAO Actuarial Consulting Services Inc.	15/09/15	5.40%	pending Hearing
Insurance Company of Prince Edward Island	15/09/15	2.95%	2.95%
Intact Insurance Company	15/09/15	5.11%	pending Hearing
Liberty Mutual Insurance Company	15/03/20	0.00%	0.00%
Northbridge General Insurance Corporation	15/03/20	2.98%	2.98%
Northbridge Personal Insurance Corporation	15/03/20	2.84%	2.84%
Pafco Insurance Company	15/01/15	2.92%	2.92%
Pembroke Insurance Company	15/09/15	2.93%	2.93%
Personal Insurance Company	15/09/15	3.00%	3.00%
Perth Insurance Company	15/01/15	0.00%	0.00%
Portage la Prairie Mutual Insurance Company	15/09/15	7.70%	pending Hearing
Primum Insurance Company	15/09/15	2.83%	2.83%
Promutuel de l'Estuaire	15/09/15	1.82%	1.82%
RBC General Insurance Company	15/09/15	2.81%	2.81%
Royal and Sun Alliance Insurance Company of Canada	15/09/15	2.90%	2.90%
Scottish & York Insurance Company Limited	15/09/15	0.00%	0.00%
Security National Insurance Company	15/09/15	2.48%	2.48%
Sovereign General Insurance Company	15/03/20	8.78%	8.78%
TD Home and Auto Insurance Company	15/09/15	2.74%	2.74%

List of 2015 PPV Rate Filings

Insurance Company Name	Date Of Filing	Rate Change	
		Proposed	Approved
Tokio Marine & Nichido Fire Insurance Co., Ltd.	15/03/20	0.00%	0.00%
Traders General Insurance Company	15/09/15	2.92%	2.92%
Trafalgar Insurance Company of Canada	15/09/15	4.68%	pending Hearing
Unifund Assurance Company	15/09/15	2.90%	2.90%
United General Insurance Corporation	15/09/15	0.00%	0.00%
Waterloo Insurance Company	15/09/15	2.99%	2.99%
Wawanesa Mutual Insurance Company	15/08/21	2.35%	2.35%
XL Insurance Company Limited	15/03/20	0.00%	0.00%
Zenith Insurance Company	15/03/20	3.34%	3.34%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Allstate Insurance Company of Canada	Motorcycles	15/12/21	0.00%
	Snow Vehicles	15/05/01	2.44%
	Motorhomes	15/05/01	0.00%
	Camper Trailers	15/05/01	2.67%
	All Terrain Vehicle	15/05/01	0.00%
Aviva Insurance Company of Canada	Taxi	15/10/13	0.00%
	School Buses	15/10/13	0.00%
	Public Buses	15/10/13	0.00%
	Private Buses	15/10/13	0.00%
	Ambulances	15/10/13	0.00%
	Commercial	15/06/30	0.00%
	Interurban	15/06/26	0.00%
	Snow Vehicles	15/06/12	0.00%
	Camper Trailers	15/06/12	0.00%
	Motorhomes	15/06/12	0.00%
	Motorcycles	15/06/12	0.00%
	All Terrain Vehicle	15/06/12	0.00%
CAA Insurance Company (Ontario)	Motorhomes	15/07/29	0.00%
	Camper Trailers	15/07/29	0.00%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Co-operators General Insurance Company	Motorcycles	15/07/10	-6.01%
	Motorhomes	15/07/10	0.00%
	Camper Trailers	15/07/10	0.00%
	All Terrain Vehicle	15/06/19	0.00%
	Snow Vehicles	15/04/02	0.00%
	School Buses	15/04/02	0.00%
	Private Buses	15/04/02	0.00%
	Comm & Int COMBINED	15/04/02	2.88%
	Mopeds	15/07/10	0.00%
	Antique & Classic Vehicles	15/04/02	0.00%
COSECO Insurance Company	Snow Vehicles	15/05/08	0.00%
	Motorhomes	15/05/08	0.00%
	Motorcycles	15/05/08	-2.29%
	Camper Trailers	15/05/08	0.00%
	All Terrain Vehicle	15/05/08	0.00%
CUMIS General Insurance Company	Snow Vehicles	15/05/08	0.00%
	Motorhomes	15/05/08	0.00%
	Motorcycles	15/05/08	-6.76%
	Camper Trailers	15/05/11	0.00%
	All Terrain Vehicle	15/05/08	0.00%
Dominion of Canada General Insurance Company	Ambulances	15/08/28	0.00%
	Taxi	15/09/01	0.00%
	Public Buses	15/09/01	0.00%
	Private Buses	15/09/01	0.00%
	Interurban	15/09/01	0.00%
	Commercial	15/08/28	0.00%
	Snow Vehicles	15/08/28	0.00%
	Motorhomes	15/08/28	0.00%
	Motorcycles	15/08/28	0.00%
	Camper Trailers	15/08/28	0.00%
	All Terrain Vehicle	15/08/28	0.00%
	All Other Public	15/09/01	0.00%
	Antique & Classic Vehicles	15/08/28	0.00%
Echelon General Insurance Company	Comm & Int COMBINED	15/05/12	0.00%
Economical Mutual Insurance Company	Comm & Int COMBINED	15/07/08	0.00%
	Snow Vehicles	15/05/19	0.00%
	Motorhomes	15/05/15	0.00%
	Motorcycles	15/05/15	0.00%
	Camper Trailers	15/05/15	0.00%
	All Terrain Vehicle	15/05/15	0.00%
	Private Buses	15/04/10	0.00%
	Antique & Classic Vehicles	15/05/15	0.00%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Elite Insurance Company	Motorhomes	15/11/26	0.00%
	Motorcycles	15/01/08	0.00%
	Camper Trailers	15/01/08	0.00%
	Antique & Classic Vehicles	15/01/08	0.00%
Facility Association	Motorcycles	15/09/29	0.00%
	All Terrain Vehicle	15/09/29	0.00%
	Motorhomes	15/09/22	0.00%
	Camper Trailers	15/09/22	0.00%
	Taxi	15/05/01	0.00%
	School Buses	15/05/01	0.00%
	Public Buses	15/05/01	0.00%
	Private Buses	15/05/01	0.00%
	Ambulances	15/05/01	0.00%
	Snow Vehicles	15/04/24	2.99%
	Interurban	15/04/24	0.00%
	Commercial	15/04/25	0.00%
	Antique & Classic Vehicles	15/09/22	0.00%
	All Other Public	15/05/01	0.00%
	All Other Public	15/05/01	0.00%
Federated Insurance Company of Canada	Antique & Classic Vehicles	15/12/03	0.00%
	Snow Vehicles	15/12/03	0.00%
	Motorhomes	15/12/03	0.00%
	Motorcycles	15/12/03	0.00%
	All Terrain Vehicle	15/12/03	-26.45%
	Camper Trailers	15/12/03	0.00%
	Interurban	15/03/04	0.00%
	Commercial	15/03/02	-5.56%
Guarantee Company of North America	All Other Public	15/11/18	0.00%
	Comm & Int COMBINED	15/11/17	0.00%
IAO Actuarial Consulting Services Inc.	Snow Vehicles	15/11/15	Review Pending
	Ambulances	15/11/15	Review Pending
	Taxi	15/11/15	Review Pending
	All Terrain Vehicle	15/11/15	Review Pending
	Private Buses	15/11/15	Review Pending
	School Buses	15/11/15	Review Pending
	Public Buses	15/11/15	Review Pending
	Motorhomes	15/11/15	Review Pending
	Motorcycles	15/11/15	Review Pending
	Interurban	15/11/15	Review Pending
	Commercial	15/11/15	Review Pending

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Insurance Company of Prince Edward Island	Interurban	15/04/24	0.00%
	Commercial	15/04/15	0.00%
	Motorhomes	15/02/25	0.00%
	All Terrain Vehicle	15/02/25	0.00%
	Motorcycles	15/02/25	0.00%
	Camper Trailers	15/02/25	0.00%
	Snow Vehicles	15/02/25	0.00%
	Antique & Classic Vehicles	15/02/25	0.00%
Intact Insurance Company	Antique & Classic Vehicles	15/10/20	0.00%
	Snow Vehicles	15/10/20	0.00%
	Motorhomes	15/10/20	0.00%
	Motorcycles	15/10/20	0.00%
	Camper Trailers	15/10/21	0.00%
	All Terrain Vehicle	15/10/20	0.00%
	Taxi	15/10/16	1.63%
	School Buses	15/10/16	-0.19%
	Private Buses	15/10/16	-1.82%
	Public Buses	15/10/16	-0.19%
	Ambulances	15/10/16	-2.35%
	Interurban	15/10/16	1.94%
	Commercial	15/06/19	0.00%
	Taxi	15/10/19	1.63%
Liberty Mutual Insurance Company	Commercial	15/10/16	-10.15%
	Interurban	15/10/16	2.77%
	Ambulances	15/10/16	-2.35%
	All Terrain Vehicle	15/10/16	-11.85%
	Motorcycles	15/10/16	-10.99%
	Motorhomes	15/10/16	5.39%
	Private Buses	15/10/16	-0.19%
	Public Buses	15/10/16	-0.19%
	School Buses	15/10/16	-0.19%
	Snow Vehicles	15/10/16	-11.85%
	All Terrain Vehicle	15/08/20	3.00%
Lloyds Underwriters	Snow Vehicles	15/08/20	3.00%
	Motorcycles	15/08/20	0.00%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Northbridge General Insurance Corporation	Antique & Classic Vehicles	15/12/03	0.00%
	Motorcycles	15/12/03	0.00%
	Motorhomes	15/12/03	0.00%
	Camper Trailers	15/12/03	0.00%
	All Terrain Vehicle	15/11/25	0.00%
	Snow Vehicles	15/11/25	0.00%
	Ambulances	15/10/22	0.00%
	Commercial	15/10/22	-9.19%
	Public Buses	15/10/22	3.00%
	School Buses	15/10/22	0.00%
	Private Buses	15/10/21	-3.16%
	Taxi	15/10/21	0.00%
	Interurban	15/10/21	-1.40%
Northbridge Personal Insurance Corporation	Antique & Classic Vehicles	15/12/03	0.00%
	Motorhomes	15/12/03	0.00%
	Snow Vehicles	15/12/03	0.00%
	Motorcycles	15/11/25	-19.40%
	Camper Trailers	15/11/25	0.00%
	All Terrain Vehicle	15/11/25	0.00%
	School Buses	15/10/27	0.00%
	Taxi	15/10/28	0.00%
	Commercial	15/10/27	0.00%
	Public Buses	15/10/27	0.00%
	Private Buses	15/10/27	0.00%
	Interurban	15/10/27	0.00%
	Ambulances	15/10/27	0.00%
Pembroke Insurance Company	Motorcycles	15/12/21	0.00%
	Snow Vehicles	15/05/01	2.44%
	Motorhomes	15/05/01	2.44%
	Camper Trailers	15/05/01	0.00%
	All Terrain Vehicle	15/05/01	-9.01%
Personal Insurance Company	Camper Trailers	15/05/09	0.00%
	Snow Vehicles	15/05/09	0.00%
	Motorhomes	15/05/09	0.00%
	Motorcycles	15/05/09	0.00%
	Motorcycles	15/05/09	0.00%
	All Terrain Vehicle	15/05/09	0.00%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Portage la Prairie Mutual Insurance Company	Snow Vehicles	15/11/26	0.00%
	Camper Trailers	15/11/26	0.00%
	Motorcycles	15/11/26	0.00%
	Motorhomes	15/11/26	0.00%
	All Terrain Vehicle	15/11/26	0.00%
	Commercial	15/11/13	2.70%
Primum Insurance Company	Snow Vehicles	15/08/11	0.00%
	Motorcycles	15/08/11	0.00%
	Camper Trailers	15/08/11	0.00%
	All Terrain Vehicle	15/08/11	0.00%
	Motorhomes	15/05/27	0.00%
Promutuel de l'Estuaire	Commercial	15/04/29	0.00%
	Snow Vehicles	15/04/29	0.00%
	Motorhomes	15/04/29	0.00%
	All Terrain Vehicle	15/04/29	0.00%
	Camper Trailers	15/04/29	0.00%
	Motorcycles	15/02/06	0.00%
RBC General Insurance Company	Snow Vehicles	15/04/24	0.00%
	Motorhomes	15/04/24	0.00%
	Motorcycles	15/04/24	0.00%
	Camper Trailers	15/04/24	0.00%
	All Terrain Vehicle	15/04/24	0.00%
Royal and Sun Alliance Insurance Company of Canada	Ambulances	15/04/20	0.00%
	Taxi	15/04/10	0.00%
	Camper Trailers	15/04/02	0.00%
	Motorhomes	15/04/02	0.00%
	Motorcycles	15/04/02	0.00%
	Snow Vehicles	15/04/02	0.00%
	All Terrain Vehicle	15/04/02	0.00%
	Commercial	15/03/13	-3.84%
	Interurban	15/03/13	0.00%
	All Buses	15/04/20	0.00%
	Antique & Classic Vehicles	15/04/02	0.00%
Scottish & York Insurance Company Limited	Camper Trailers	15/06/12	0.00%
	Motorhomes	15/06/12	0.00%
	Snow Vehicles	15/06/12	0.00%
	Motorcycles	15/06/12	0.00%
	All Terrain Vehicle	15/06/12	0.00%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Security National Insurance Company	Snow Vehicles	15/08/11	0.00%
	Motorcycles	15/08/11	0.00%
	Camper Trailers	15/08/11	0.00%
	All Terrain Vehicle	15/08/11	0.00%
	Motorhomes	15/05/27	0.00%
Sovereign General Insurance Company	Ambulances	15/04/17	0.00%
	All Terrain Vehicle	15/04/17	0.00%
	Camper Trailers	15/04/17	0.00%
	School Buses	15/04/17	0.00%
	Public Buses	15/04/17	0.00%
	Private Buses	15/04/17	0.00%
	Snow Vehicles	15/04/17	0.00%
	All Other Public	15/04/17	0.00%
	Motorhomes,Campers,Trailers	15/04/17	0.00%
TD Home and Auto Insurance Company	Snow Vehicles	15/08/11	0.00%
	Motorcycles	15/08/11	0.00%
	Camper Trailers	15/08/11	0.00%
	All Terrain Vehicle	15/08/11	0.00%
	Motorhomes	15/05/27	0.00%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Antique & Classic Vehicles	15/11/25	0.00%
	Motorcycles	15/11/25	0.00%
	All Terrain Vehicle	15/11/25	0.00%
	Snow Vehicles	15/11/25	0.00%
	Motorhomes	15/11/25	0.00%
	Camper Trailers	15/11/25	0.00%
	Private Buses	15/10/21	0.00%
	Interurban	15/10/21	0.00%
	Commercial	15/10/21	0.00%
	School Buses	15/10/22	0.00%
	Public Buses	15/10/22	0.00%
	Taxi	15/10/22	0.00%
	Ambulances	15/10/22	0.00%
Traders General Insurance Company	All Terrain Vehicle	15/03/11	0.00%
	Motorcycles	15/03/11	0.00%
	Motorhomes	15/03/11	0.00%
	Camper Trailers	15/03/11	0.00%
	Snow Vehicles	15/03/11	0.00%
	Motorhomes,Campers,Trailers	15/03/11	0.00%

List of 2015 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Trafalgar Insurance Company of Canada	Antique & Classic Vehicles	15/10/22	0.00%
	Motorhomes	15/10/22	0.00%
	Camper Trailers	15/10/22	0.00%
	Snow Vehicles	15/10/22	0.00%
	Motorcycles	15/10/22	0.00%
	All Terrain Vehicle	15/10/22	0.00%
	Motorhomes	15/02/25	0.00%
	Camper Trailers	15/02/02	0.00%
	Snow Vehicles	15/02/02	0.00%
	Motorcycles	15/02/02	0.00%
	All Terrain Vehicle	15/02/02	0.00%
	Antique & Classic Vehicles	15/02/25	0.00%
Unifund Assurance Company	Camper Trailers	15/07/23	0.00%
	Motorhomes	15/07/23	0.00%
	Motorcycles	15/07/23	0.00%
	Snow Vehicles	15/07/23	0.00%
	All Terrain Vehicle	15/07/23	0.00%
United General Insurance Corporation	Motorcycles	15/05/22	-7.00%
	Snow Vehicles	15/05/22	0.00%
	All Terrain Vehicle	15/05/22	0.00%
	Commercial	15/05/22	-10.5%
Waterloo Insurance Company	Motorhomes,Campers,Trailers	15/05/15	0.00%
	Antique & Classic Vehicles	15/05/15	0.00%
	Snow Vehicles	15/05/15	0.00%
	Motorcycles	15/05/15	0.00%
	Camper Trailers	15/05/15	0.00%
	All Terrain Vehicle	15/05/15	0.00%
Wawanesa Mutual Insurance Company	Commercial	15/04/27	2.53%
	Snow Vehicles	15/04/15	2.72%
	Motorcycles	15/04/15	1.53%
	All Terrain Vehicle	15/04/15	-0.17%
	Camper Trailers	15/04/15	-4.55%
Zenith Insurance Company	Antique & Classic Vehicles	15/11/25	0.00%
	Motorhomes	15/11/26	0.00%
	Camper Trailers	15/11/25	0.00%
	All Terrain Vehicle	15/11/25	0.00%
	Motorcycles	15/11/25	-18.09%
	Snow Vehicles	15/11/25	0.00%

List of Non-Rate 2015 Filings

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Allstate Insurance Company of Canada	Private Passenger	15/04/28	Rate Group Update
Aviva Insurance Company of Canada	Commercial	15/06/29	U/W Rule Change
	Interurban	15/03/12	Rate Group Update
	Commercial	15/03/12	Rate Group Update
Certas Home and Auto Insurance Company	Commercial	15/04/24	Endorsement Filing
	Private Passenger	15/04/24	Endorsement Filing
Elite Insurance Company	Private Passenger	15/10/30	Rate Group Update
Facility Association	Private Passenger	15/07/14	Rate Group Update
Intact Insurance Company	Interurban	15/12/21	Rate Group Update
	Commercial	15/12/21	Rate Group Update
	Commercial	15/06/19	U/W Rule Change
	Private Passenger	15/05/07	Rate Group Update
	Private Passenger	15/01/30	Endorsement Filing
Northbridge General Insurance Corporation	Interurban	15/12/04	Rate Group Update
	Commercial	15/12/04	Rate Group Update
	Commercial	15/01/06	Endorsement Filing
	Interurban	15/01/06	Endorsement Filing
Pafco Insurance Company	Private Passenger	15/04/28	Rate Group Update
Pembroke Insurance Company	Private Passenger	15/04/28	Rate Group Update
Personal Insurance Company	Private Passenger	15/04/28	Rate Group Update
Perth Insurance Company	Private Passenger	15/09/15	Rate Group Update
Portage la Prairie Mutual Insurance Company	All Incl PPV	15/02/04	U/W Rule Change
Primum Insurance Company	Private Passenger	15/06/25	Rate Group Update
Promutuel de l'Estuaire	Snow Vehicles	15/09/15	Rating Rule Change
	Motorcycles	15/09/15	Rating Rule Change
	Commercial	15/09/15	Endorsement Filing
RBC General Insurance Company	Private Passenger	15/04/29	Rate Group Update
Royal and Sun Alliance Insurance Company of Canada	Interurban	15/08/14	Rate Group Update
	Commercial	15/08/14	Rate Group Update
Security National Insurance Company	Private Passenger	15/06/25	Rate Group Update
TD Home and Auto Insurance Company	Private Passenger	15/06/25	Rate Group Update
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Commercial	15/01/06	Endorsement Filing
	Interurban	15/01/06	Endorsement Filing
Trafalgar Insurance Company of Canada	Private Passenger	15/05/07	Rate Group Update
Unifund Assurance Company	All Incl PPV	15/04/29	Rating Rule Change
Wawanesa Mutual Insurance Company	Private Passenger	15/06/26	U/W Rule Change
	Private Passenger	15/04/30	Rate Group Update
	Motorcycles	15/01/22	Endorsement Filing

| Appendix B — Audited Financial Statements

Financial Statements Of

New Brunswick Insurance Board

March 31, 2015

Peter G. Gaulton
Chartered Professional Accountant, CA

New Brunswick Insurance Board

Financial Statements

For the year ended March 31, 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

I have audited the accompanying financial statements of New Brunswick Insurance Board, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of New Brunswick Insurance Board as at March 31, 2015, and results of its operations and the changes in its financial position and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

June 22, 2015
Saint John, NB


Chartered Professional Accountant, CA

New Brunswick Insurance Board

Statement of Financial Position

As at March 31, 2015

	2015	2014
Financial Assets		
Current:		
Cash in bank	\$ 1,320,378	\$ 2,019,276
Accounts receivable	501,992	25,550
Harmonized sales tax recoverable	168,702	61,141
	<u>1,991,072</u>	<u>2,105,967</u>
Liabilities		
Current:		
Accounts payable and accrued liabilities	90,837	165,114
Employee deductions payable	20,911	10,295
Deferred assessments (note 6)	1,944,471	1,971,392
	<u>2,056,219</u>	<u>2,146,801</u>
Net Financial Assets(Liabilities)	<u>(65,147)</u>	<u>(40,834)</u>
Non-Financial Assets		
Property, Plant and Equipment (note 3)	649,594	597,064
Less: accumulated amortization	(590,832)	(561,013)
	<u>58,762</u>	<u>36,051</u>
Prepaid expenses	6,385	4,783
	<u>65,147</u>	<u>40,834</u>
Accumulated Surplus	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

Approved by the Board:

 Chairperson

 Vice-Chairperson

New Brunswick Insurance Board

Statement of Operations and Net Financial Assets
For the year ended March 31, 2015

	2015	2014
Receipts		
Assessments	\$ 1,765,971	\$ 1,670,042
Interest	10,136	10,883
Other	10,456	194
	1,786,563	1,681,119
Operating disbursements		
Wages, benefits and other employee costs	823,596	764,928
Interest and bank charges	1,583	2,043
Rent	129,530	129,768
Amortization expense	42,940	79,465
Office expenses	17,310	15,409
Audit and accounting	14,869	17,327
Consulting services	9,114	4,353
Training and education	31,777	27,450
Telecommunications	25,079	25,180
Equipment leases	6,023	5,512
Communications and community support	30,262	15,623
Meetings and conferences	11,742	13,456
Insurance	1,522	1,507
	1,145,347	1,102,021
Regulatory disbursements		
Board compensation	94,344	109,500
Board member training & education	21,945	21,611
Board member meetings & conferences	6,485	13,143
Travel	1,465	7,455
Advertising	-	2,643
Actuarial services	498,457	367,608
Hearing expenses	8,300	25,572
Legal	10,220	31,566
	641,216	579,098
Annual surplus	NIL	NIL
Net financial assets, beginning of year	NIL	NIL
Net financial assets, end of year	\$ NIL	\$ NIL

See accompanying notes to financial statements

New Brunswick Insurance Board

Statement of Cash Flows

For the year ended March 31, 2015

	2015	2014
Cash provided by (used in):		
Operations		
Annual surplus	\$ -	\$ -
Items not involving an outlay of cash:		
Loss (gain) on disposal of equipment	(9,092)	364
Amortization expense	42,940	79,465
	33,848	79,829
Decrease (increase) in accounts receivable	(476,443)	15,689
Decrease (increase) in HST recoverable	(107,560)	(12,036)
Decrease (increase) in prepaid expenses	(1,602)	2,409
Increase (decrease) in accounts payable	(74,277)	46,762
Increase (decrease) in employee deductions payable	10,616	(1,507)
Increase (decrease) in retirement allowances payable	-	(114,526)
Increase (decrease) in deferred revenue	(26,921)	191,890
	(642,339)	208,510
Investing		
Purchase of property, plant and equipment	(81,159)	(38,903)
Proceeds on the disposal of equipment	24,600	3,108
	(56,559)	(35,795)
Increase (decrease) in cash	(698,898)	172,715
Cash, beginning of year	2,019,276	1,846,561
Cash, end of year	\$ 1,320,378	\$ 2,019,276

See accompanying notes to financial statements

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2015

1. Purpose of the organization

Effective October 15, 2004, the New Brunswick Insurance Board commenced regulatory responsibility for automobile insurers in New Brunswick. Board operations began October 1, 2004.

The Board is exempt from income tax under Section 149(1)(d) of the Canadian Income Tax Act and recovers 100% of the harmonized sales tax (HST) paid. HST is not collected on assessments to the insurance companies.

2. Significant accounting policies

(a) Asset classification:

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not being consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver services, may be consumed in normal operations and are not for resale.

(b) Method of accounting:

The Board follows the deferral method of accounting for receipts. Restricted receipts are recognized as revenue in the year in which the related expenses are incurred. Unrestricted receipts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. (see note 6)

(c) Property, plant, and equipment:

Property, plant and equipment are recorded at cost. Amortization is calculated on a straight-line basis over 5 years on all assets acquired prior to April 1, 2012 except for equipment under capital lease. Computer equipment acquired subsequent to March 31, 2012 is amortized on a straight line basis over 3 years. The Board determined that this would better reflect the useful lives of the computer equipment being amortized. Vehicles acquired subsequent to March 31, 2013 are amortized on a straight line basis over 4 years. The Board determined that this would better reflect the useful lives of the vehicles being amortized.

(d) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

(e) Fair value of financial instruments:

The Board initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2015

3. Property, plant and equipment

		2015		2014
	Cost	Accumulated Amortization	Net book Value	Net book Value
Computer equipment	\$ 183,763	\$ 179,079	\$ 4,684	\$ 4,687
Computer software	124,350	115,323	9,027	2,289
Systems software	183,190	183,190	-	-
Vehicle	25,299	6,325	18,974	21,473
Leasehold improvements	27,507	12,645	14,862	2,575
Furniture and fixtures	105,485	94,270	11,215	5,027
	\$ 649,594	\$ 590,832	\$ 58,762	\$ 36,051

4. Future employee benefits

Pension Plan:

Prior to January 1, 2014:

The employees of the Board participated in a contributory defined benefit pension plan, administered by the Province of New Brunswick and the Public Service Superannuation Act. The plan provided pensions to employees of the Provincial Government and certain Crown corporations and agencies based on the length of service and highest successive five year average salary. Any shortfall in the funding of the plan was guaranteed by the Province of New Brunswick, which was the sponsor of the plan.

Effective January 1, 2014:

The employees of the Board participate in the Province of New Brunswick Public Service Shared Risk Plan (PSSRP) that became effective January 1, 2014. The plan is administered by the Province of New Brunswick through a Board of Trustees. The Board is required to make the following contributions to the PSSRP:

From April 1, 2014 to December 31, 2018: 12.5% of an employee's eligible earnings

From January 1, 2019 to December 31, 2023: 12.0% of an employee's eligible earnings

From January 1, 2024 to December 31, 2028: 11.25% of an employee's eligible earnings

Effective January 1, 2029: employer and employee contribution rates will be re-determined and will become equal

The Board's financial participation in the plan is limited to the annual amounts contributed based on the preceding percentages.

For the year ending March 31, 2015, the Board's pension contributions amounted to \$86,874 (2014: \$67,895).

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2015

5. Commitments

The Board negotiated an operating lease of its office premises for a period of 5 years commencing January 1, 2005. In 2007, the Board renegotiated the lease to include additional office space and extended the term for an additional period of 6 years. The minimum annual payments under the lease terms are as follows:

April 1, 2013 - December 31, 2015:	\$	118,344
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The Board negotiated an operating lease for a new photocopier in December, 2014. The minimum annual payments under the lease terms are as follows:

April 1, 2015 - March 31, 2016:	\$	2,042
April 1, 2016 - March 31, 2017:	\$	2,042
April 1, 2017 - March 31, 2018:	\$	2,042
April 1, 2018 - March 31, 2019:	\$	2,042
April 1, 2019 - March 31, 2020:	\$	2,042

6. Deferred assessments and capital management

The Board's expenses are funded 100% by the companies selling automobile insurance in the Province of New Brunswick. Annually, in advance of the coming fiscal year, the Board prepares an expense budget and assesses each company based on its proportion of the automobile premiums written in the Province of New Brunswick in the previous calendar year. Deferred assessments represent the assessments billed to the insurance companies in advance based on the budgeted expenses plus or minus adjustments between budgeted expenses and actual expenses, as determined at each fiscal year-end.

7. Related party transactions

The New Brunswick Insurance Board is related to all Province of New Brunswick departments, agencies and Crown Corporations by virtue of common control.

8. Financial instruments

Credit risk

The Board is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The maximum exposure of the Board to credit risk at March 31, 2015 is as follows:

Cash	\$	1,320,378
Accounts receivable		501,992
	\$	<u>1,822,370</u>

Cash and investments: Credit risk associated with cash and investments is minimized substantially by ensuring that these assets are invested in financial obligations of: governments and major financial institutions that have been accorded investment grade rating by a primary rating agency, and/or other creditworthy parties. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the Board's investment policy.

Management believes concentrations of credit risk with respect to accounts receivable is limited due to the nature of the transactions between the Board and the insurance companies.

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2015

8. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Board not being able to liquidate assets in a timely manner at a reasonable price.

The Board meets its liquidity requirements by monitoring cash flows from operations and holding assets that can be readily converted into cash. The Board holds investments that can easily be converted to cash should it be required to meet temporary fluctuations in cash requirements. The Board also assesses insurance companies in advance of the fiscal year start in order to maintain liquidity.

Market risk

The Board is exposed to market risk through the fluctuation of financial instruments fair values due to changes in market prices. The significant market risk to which the Board is exposed is interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The interest rate exposure of the Board arises from its interest bearing assets.

Management believes concentrations of interest rate risk with respect to investments is limited due to the nature of the transactions between the Board and the insurance companies.

9. Cash and cash equivalents

Cash and cash equivalents include cash in bank and temporary investments with a term of one year or less.