



New Brunswick  
**INSURANCE**  
Board

# ANNUAL REPORT

2016







March 1, 2017

Minister of Finance  
Province of New Brunswick  
P.O. Box 6000  
Fredericton, NB  
E3B 5H1

**Attention: Honorable Cathy Rogers**

Dear Minister Rogers;

**Re: 2016 Annual Report**

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On behalf of the Members of the New Brunswick Insurance Board and pursuant to section 19.9 of the Insurance Act, I am pleased to submit our Annual Report for the 2016 calendar year. The report contains an overview of our activities for the year, as well as our audited financial statements for the 2015-2016 fiscal year ending March 31, 2016.

Respectfully submitted,

**Marie-Claude Doucet**  
Chair & CEO  
New Brunswick Insurance Board



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# MESSAGE FROM THE CHAIR



Marie-Claude  
Doucet

## FULFILLING THE MANDATE OF THE BOARD

The New Brunswick Insurance Board's (NBIB or the Board) primary role pursuant to the Insurance Act, R.S.N.B. 1973, c. I-12, is to ensure just and reasonable auto insurance rates. Consequently, the Board strives to ensure that rates applied to New Brunswick drivers are based on all in-

dustry provincial driver experience, insurance company provincial experience, and are comparable to other Atlantic Provinces' rates. Furthermore, one of the NBIB's objectives has been and continues to be to promote and foster a competitive and healthy marketplace within the automobile insurance industry, which in turn leads to rate stability.

Over the past 12 years, the NBIB has done remarkable work at keeping auto insurance rates reasonable and due to its relentless efforts, New Brunswick drivers have been able to benefit from relatively steady rates since 2004. In the fulfilment of its mandate to supervise auto insurance rates, the NBIB, as an administrative tribunal and regulatory entity, has earned the respect from various stakeholders (from insurers to consumers) and fellow auto insurance rate regulators on the national level. I am therefore very proud to have been appointed Chair and CEO of the NBIB in October 2016 and I firmly commit to devote my efforts to continue delivering the Board's mandate by ensuring fair and equitable automobile insurance premiums for New Brunswick drivers.

In 2016, four Board Members' terms expired: Vice-Chair Jean LeBlanc, Ferne Ashford, Roy Therrien, and Marven Grant. We thank them for their dedication and exceptional work while serving at the Board. In October 2016, the NBIB welcomed a new Vice-Chair, Brad Woodside of Fredericton, two new board members, Elizabeth Turgeon of Fredericton and Bernard Gautreau of Shediac, as well as the return of previous member Al Kavanaugh of Riverview. While the NBIB has lost invaluable years of experience with the departure of four Board members, the Board is delighted it will benefit from the fresh perspectives brought by the newly appointed members.

## RATES IN 2016 AND OVERVIEW FOR 2017

New Brunswick is currently facing increased pricing pressures in the private passenger insurance market. The overall average indication of this year's rate filings is approximately 17%, with some insurance providers' indications being as high as 35%. That said, the average selection of insurers was significantly less, at just under 3%. The fact that lower than indicated rate increases were requested by many insurance providers is certainly good news for New Brunswick drivers and speaks volumes about the competitive nature of the New Brunswick insurance market. However, in the coming years, the NBIB will closely monitor claims frequency and claims costs, which are driving these upward pricing pressures, in order to determine whether the Province is simply facing short term fluctuations in rate pricing or if this is a long-term trend.

Nevertheless, it is clear that some external factors, including the 2013 reforms to the Injury Regulation, which the data suggests has caused an increase in the dollar amount (severity) in some claims paid out to consumers, are significantly contributing to driving automobile insurance rates upward. In light of these facts, we suspect the Board may face challenging years ahead.

## INITIATIVES UNDERTAKEN TO FACE UPCOMING CHALLENGES

While the above noted increase in indications may not be a precursor of a continuing trend, should it turn out to be the case, insurance companies could very likely be applying more often over the next few years to obtain rate increases well above the 3% threshold outlined in the legislation, therefore triggering more mandatory hearings. The materialization of such a situation will require the Board to hold and process a significantly higher number of hearings in the years to come.

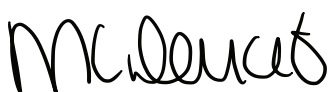
In anticipation of having to manage a far larger number of hearings than what has been required in the past, the NBIB has developed and tested an innovative hearing process which comprises a combination of both oral and written components. The adoption in 2016 of this new hearing process has proven to be successful and will enable the Board to enhance efficiencies, while continuing to ensure procedural fairness to all parties involved. Further, it helps guarantee that future rate applications are dealt with in the most expeditious and least expensive manner. The Board continues to explore other sustainable

alternatives to deal with the anticipated increase of hearings to avoid potential undue delays in rate application processing which the Board and the industry may face in the near future.

Furthermore, as indicated in our previous annual report, an initiative was undertaken by the NBIB in 2015 to conduct a review of its filing guidelines for commercial, inter-urban and miscellaneous vehicles classes. The purpose of this project was to evaluate the reasonableness and effectiveness of the current guidelines and determine whether potential improvements could be implemented to ensure the continuity in adequacy of regulatory oversight. Further to the completion of the above noted assessment in 2016, revised guidelines will be released in early 2017 and are to be implemented in the upcoming filings of the above noted classes for 2017 and beyond.

Striving for continuous improvement, the NBIB has also instigated the process of exploring with consulting firms the development of metrics to allow the Board to track its regulatory performance. The NBIB is currently working with its consulting firms and will continue to do so in 2017 in an effort to create this performance tracking tool, which will allow the Board to identify inadequacies and areas of opportunity. It is the Board's hope to have a sound measuring system in place by the end of 2017.

Finally, on behalf of the Board, I would like to commend our current and former Board members for their dedication and contribution this past year. It is also important for me to particularly thank Kevin Duff, Executive Director and Secretary, Kelly Ferris, Manager of Insurance Services and Assistant Secretary, as well as the other NBIB's staff members for facilitating my integration at the Board and for providing myself and new members with invaluable support that will serve all of us in our upcoming years of service. Without its committed staff, the NBIB most certainly wouldn't be able to operate in such an effective and efficient fashion.



**Marie-Claude Doucet**  
**Chair and CEO, 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, Marie-Claude Doucet, the Board currently employs seven employees.

### 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



## MEMBERS

As of December 31, 2016, the NBIB was comprised of the following members:



Marie-Claude Doucet, CHAIR



Brad Woodside, Vice-Chairman



Andrew Dawson



Bernard Gautreau



Jim Jessop



Francine Kanhai



Al Kavanaugh



Georges Leger



Katherine Munro



Heather Stephen



Elizabeth Turgeon

During 2016, the terms for previous Vice-chair Jean Leblanc and Board members Ferne Ashford, Roy Therrien and Marven Grant ended. The Board is grateful for their service.

Four new members were appointed for three year terms: Brad Woodside (Fredericton), Elizabeth Turgeon (Fredericton), Bernard Gautreau (Shediac) and Al Kavanaugh (Riverview).

## 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 all rate applications for auto insurance annually.

The rate applications are reviewed by a combination of Board staff and the Board's consulting actuaries from Ernst & Young or KPMG. The rigorous review process involves discussions with the insurers to clarify processes, to question assumptions used to prepare proposed rates and to ensure that the rate applications are prepared using sound actuarial practices and principles. Each review examines and questions the trends that are being used in the rate calculations, considers each insurer's actual experience compared to what had been previously projected and the overall composition of each insurer's book of business (customer base).

After the initial review is completed, if the rate application does not trigger an automatic hearing by seeking to increase current rates by more than 3%, it is passed to a review panel consisting of three Board members. The review panel examines the final version of the rate application and makes a recommendation to the Chair as to whether the rate application requires further investigation or not.

If the rate application is recommended for further investigation, the Chair can order 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 complete review and hearing process has been developed to allow the Board to decide if the rates proposed in each rate application are just and reasonable. The review and hearing process will ultimately consider actual company information and projections, industry specific information and other general information about the current state of the insurance marketplace.

## 2016 RATE APPLICATIONS

In 2016, 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 349 filings in 2016 which included:

- **43** private passenger vehicle rate filings
- **28** commercial and interurban vehicle rate filings
- **243** miscellaneous vehicle rate filings including, motorcycles, ATVs, snowmobiles, buses, taxis etc.
- **35** other filings including: updating rate group tables, proposed changes to endorsements, and proposed changes to rating rules.

### DID YOU KNOW?

*That the most recent available numbers (2015) show that there are nearly 484,000 private passenger vehicles insured in New Brunswick. Total insurance premiums paid for those vehicles was approximately \$367 million, making the average premium per vehicle around \$758.*

## CONSULTING ACTUARIES

As noted in the 2012 Annual Report, the Board issued a Request for Proposals 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

### Cosimo Pantaleo

*Partner and Canadian Actuarial Practice Leader, 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 Finance by March 1st. This report highlights activities and accomplishments of the 2016 calendar year. When requested, the Board also appears before the Standing Committee on Crown Corporations 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, 2016 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 November.

### **CANADIAN AUTOMOBILE INSURANCE RATE REGULATORS ASSOCIATION (CARR)**

The 10th annual conference for CARR was held in Montreal in the fall of 2016. Thirty-two delegates from across Canada attended the 3 day conference. 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 and 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.

# NEW BRUNSWICK MARKET

Based on GISA data, the breakdown of the types of vehicles in the New Brunswick automobile insurance market in 2015, the most recent year for which data is available, is as follows:

**Private Passenger**  
**78.9%**



**Commercial**  
**7.1%**



**ATV**  
**7.2%**



**Motorcycles**  
**4.0%**



**Snow Vehicles**  
**2.6%**



**Farmers/Misc.**  
**0.2%**



Source: GISA 2015 Auto 1003 ATL and AUTO1010-ATL

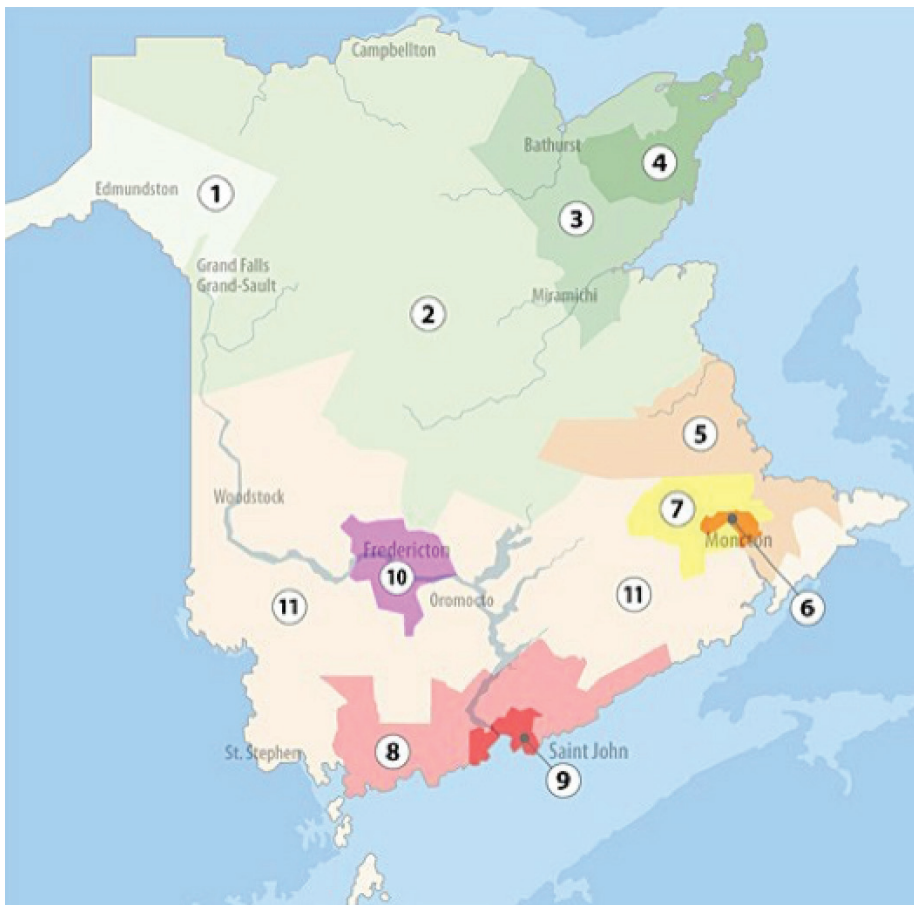
## TERRITORIES

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 2015 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.

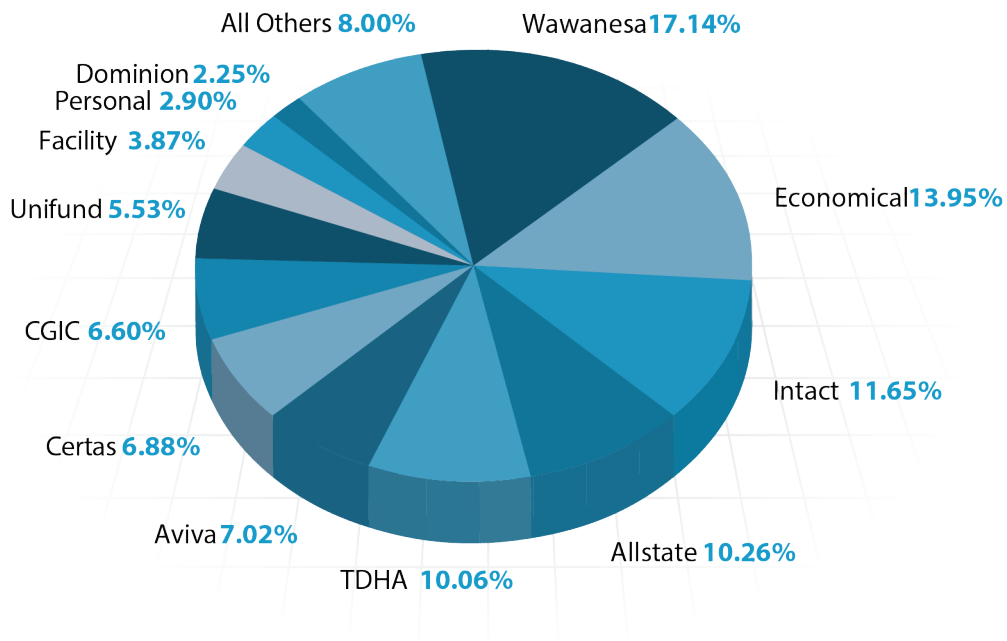


Territory	2015 Written Vehicles Distribution
1	5.5%
2	9.8%
3	8.8%
4	6.8%
5	7.6%
6	8.9%
7	7.6%
8	9.5%
9	7.1%
10	11.7%
11	16.6%

Source: GISA 2015 Auto 3003 NB

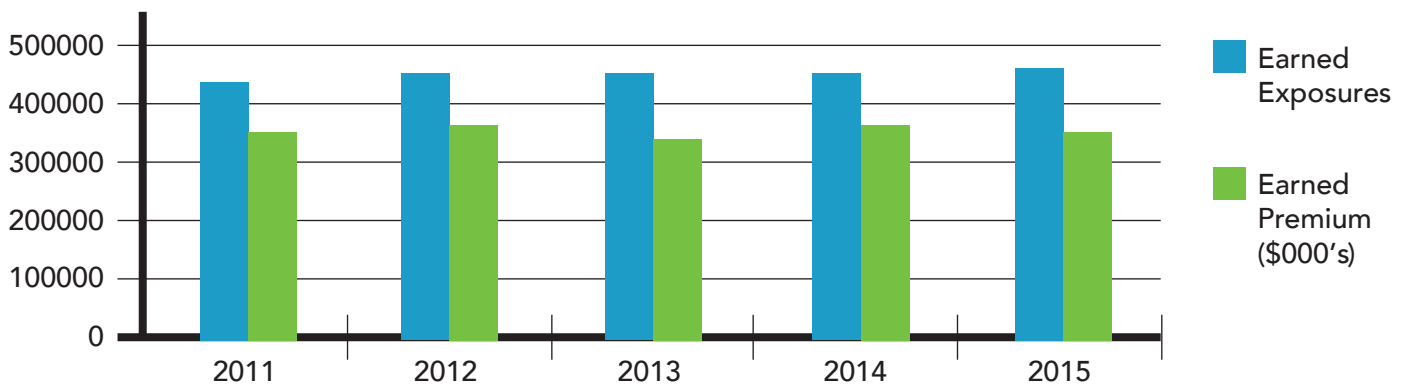
## PRIVATE PASSENGER VEHICLES

There are 39 insurance companies within the private passenger market in New Brunswick. Based on the information contained within the 2016 rate filings submitted to the NBIB, the standard market share breaks down as follows:



2015-16 NB PPV Market Share

## NB PRIVATE PASSENGER WRITTEN VEHICLES AND PREMIUMS 2009-2015



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.

### 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. CARR is truly national in scope. All provinces (except Saskatchewan) have now hosted a CARR conference. The 2017 conference is scheduled for St. John's NL.

## INSURANCE COMPANY GROUPS

### Allstate Group

Allstate Insurance Company of Canada  
Pembroke Insurance Company  
Pafco Insurance Company

### Aviva Group

Aviva Insurance Company of Canada  
Aviva General Insurance Company  
Elite Insurance Company  
RBC General Insurance Company  
S&Y 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

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

### Economical Group

Economical Mutual Insurance Company  
Sonnet 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  
Primum Insurance Company  
Security National Insurance Company

### Companies That are Not Part of a Group

Ace INA Insurance  
AIG Insurance Company of Canada  
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  
United General Insurance Corporation  
Wawanesa Mutual Insurance Company (The)  
XL Insurance Company

## FACILITY ASSOCIATION

The Facility Association (FA) 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.

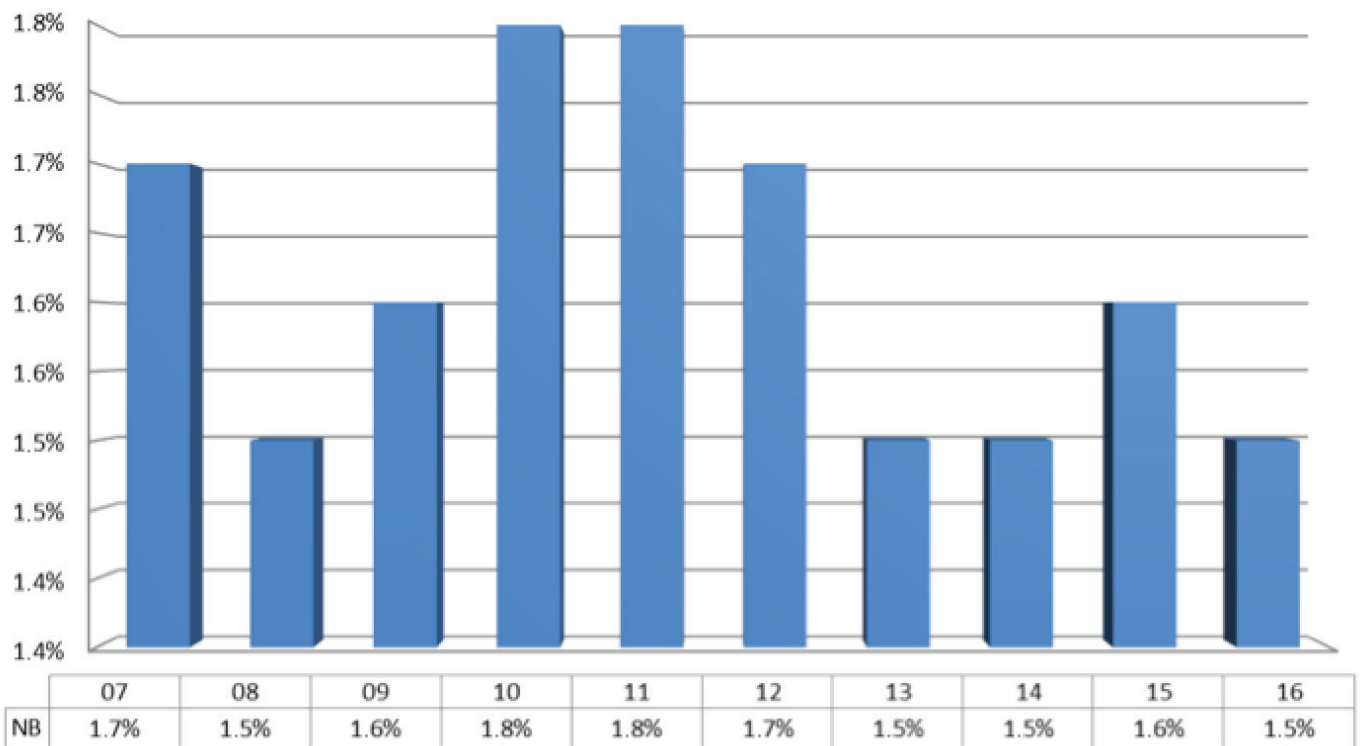
FA's mandate is to ensure the availability of auto insurance to all owners and operators of motor vehicles who would otherwise have difficulty obtaining insurance. It is referred to as the "insurer of last resort" for higher risk drivers.

In 2016, private passenger vehicle rates for FA were approved for a 3% change to current rates. 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 1.5% 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 2007 TO 2016

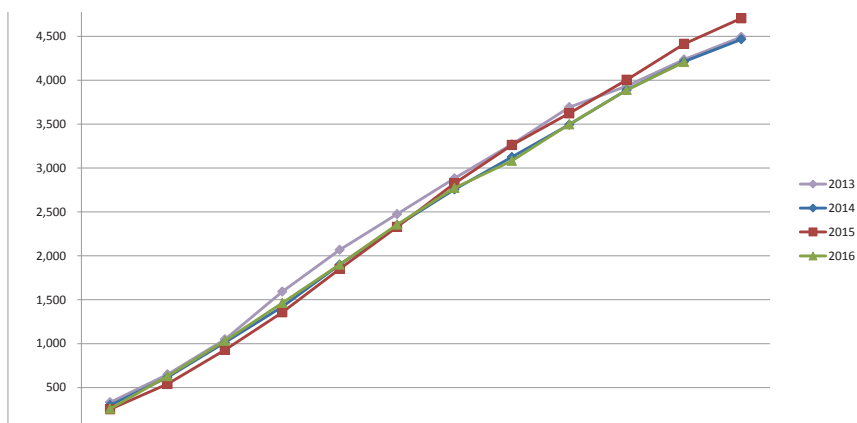
Residual Market Segment Private Passenger Market Share New Brunswick



Source: [www.facilityassociation.com](http://www.facilityassociation.com)

## FACILITY ASSOCIATION MONTHLY NEW BUSINESS - PRIVATE PASSENGER VEHICLES

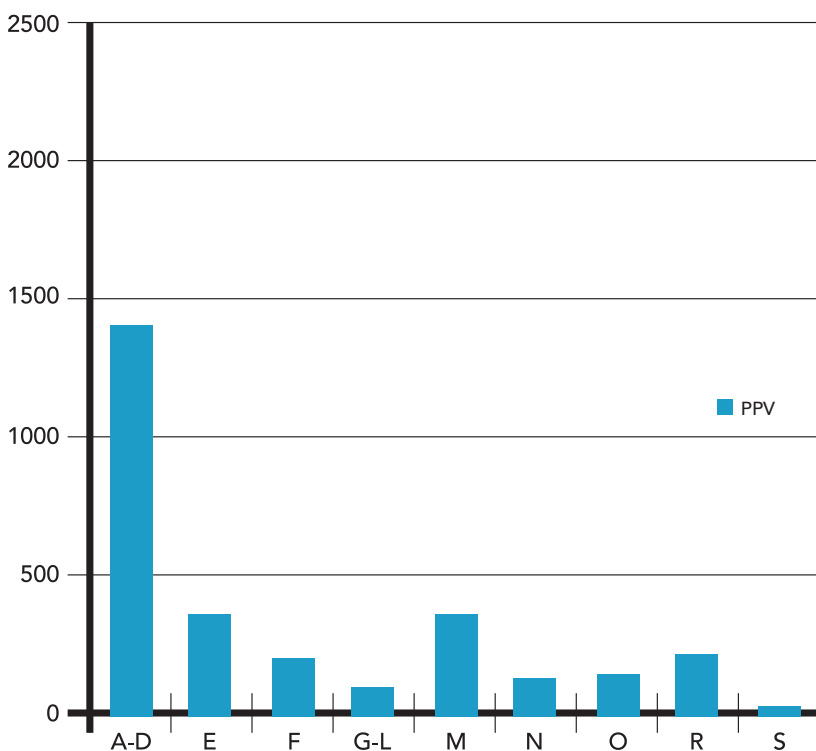
### Summary Comparison: 2013 onwards PPV



Source: [www.facilityassociation.com](http://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.

## FACILITY ASSOCIATION REASONS - NEW BRUNSWICK - PRIVATE PASSENGER VEHICLES 2016



### LEGEND

- A** At Fault Loss under 6 years
- B** Conviction Record
- C** Material Misrepresentation or Ins Fraud
- D** Any Combo of A, B, or C
- E** Premium Pmt History
- F** New Driver in Canada
- G** Vehicle Condition
- H** Vehicle Use
- I** Vehicle Type
- J** Vehicle Modification
- K** Location - Vehicle Domiciled
- L** Any Combo of G, H, I, J, K
- M** Insurance History not Available
- N** Premium lower than other available markets
- O** Lapse in coverage > 24mths
- R** Years driving experience
- S** Other

### 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 and was approved for an average rate charge of 0.75%.



# 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 and Coverage, Medical Payments	\$50,000 maximum / person, covers medical expenses necessary for rehabilitation purposes; time limit is four years
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Accident Benefit Coverage, Funeral Expense Benefits	\$2,500
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Accident Benefit and Coverage, Disability Income Benefits	80% of gross weekly income up to a maximum of \$250/week if prevented to perform own occupation; lifetime if prevented from doing any occupation for which the insured is reasonably suited by education, training or experience; must be disabled for at least 7 days within the 30 days following the accident to qualify; OR housekeeping services of up to \$100/ week for a maximum of 52 weeks if the insured was a principal unpaid housekeeper
---	--

Accident Benefit and 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
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\* The information provided in the above table constitutes a summary of benefits covered and does not describe the full details of the policy. For the complete information on coverage, please refer to the New Brunswick Automobile (Owner's) Policy N.B.P.F. No.1.

## 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

#### DID YOU KNOW?

##### *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 and the person driving.*

## 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 2016

	MODEL	BODY STYLE
1	Cadillac Deville	4DR 4D
2	Mini Cooper	2DR 2D
3	Acura 1.7EL	4DR 4D
4	Ford Mustang GT/Boss 302	2DR 2D
5	Dodge Ram 2500	4WD PU
6	Nissan Maxima	4DR 4WD
7	Jeep TJ	SUV
8	Nissan Maxima	4DR 4D
9	Ford Mustang Convertible	2DR
10	Chevrolet Impala	4DR 4D

Source: [www.ibr.ca](http://www.ibr.ca), Top Ten Stolen Vehicles NB 2016

# APPENDIX A – FILINGS REVIEWED IN 2016

## 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 2016 PRIVATE PASSENGER VEHICLES RATE FILINGS

Insurance Company Name	Date Of Filing	Purposed Rate Change	Approved Rate Change
Allstate Insurance Company of Canada	15/09/16	2.98%	2.98%
Aviva General Insurance Company	07/12/16	Review Pending	Review Pending
Aviva Insurance Company of Canada	15/09/16	2.99%	2.99%
CAA Insurance Company	15/09/16	2.99%	2.99%
Certas Home and Auto Insurance Company	15/09/16	0.00%	0.00%
Co-operators General Insurance Company	15/09/16	2.88%	2.88%
COSECO Insurance Company	15/09/16	2.93%	2.93%
CUMIS General Insurance Company	15/09/16	2.91%	2.91%
Dominion of Canada General Insurance Company	15/09/16	2.93%	2.93%
Echelon General Insurance Company	23/12/15	0.00%	0.00%
Economical Mutual Insurance Company	01/09/16	2.99%	2.99%
Elite Insurance Company	15/01/16	2.96%	2.96%
Facility Association	15/04/16	3.00%	3.00%
Federated Insurance Company of Canada	15/09/16	Review Pending	Review Pending
IAO Actuarial Consulting Services Inc.	12/08/16	0.75%	0.75%
Insurance Company of Prince Edward Island	15/09/16	Review Pending	Review Pending
Intact Insurance Company	02/09/16	2.99%	2.99%
Northbridge General Insurance Corporation	15/09/16	Review Pending	Review Pending
Northbridge Personal Insurance Corporation	15/09/16	Review Pending	Review Pending
Pafco Insurance Company	15/01/16	2.97%	2.97%
Pembridge Insurance Company	15/09/16	2.98%	2.98%
Personal Insurance Company	15/09/16	Review Pending	Review Pending
Perth Insurance Company	13/01/16	0.00%	0.00%
Portage la Prairie Mutual Insurance Company	15/09/16	3.00%	3.00%
Primum Insurance Company	15/09/16	Review Pending	Review Pending
Promutuel de l'Estuaire	15/09/16	2.95%	2.95%
Royal and Sun Alliance Insurance Company of Canada	15/09/16	2.90%	2.90%
S&Y Insurance Company	15/09/16	2.99%	2.99%
Scottish & York Insurance Company Limited	15/09/16	2.99%	2.99%
Security National Insurance Company	15/09/16	Review Pending	Review Pending
Sonnet Insurance Company	15/01/16	-2.90%	-2.90%

Insurance Company Name	Date Of Filing	Purposed Rate Change	Approved Rate Change
Sovereign General Insurance Company	15/09/16	Review Pending	Review Pending
TD Home and Auto Insurance Company	15/09/16	Review Pending	Review Pending
Tokio Marine & Nichido Fire Insurance Co., Ltd.	15/09/16	Review Pending	Review Pending
Traders General Insurance Company	15/09/16	1.80%	1.80%
Trafalgar Insurance Company of Canada	06/09/16	2.94%	2.94%
Unifund Assurance Company	15/09/16	2.60%	2.60%
United General Insurance Corporation	15/09/16	2.94%	2.94%
Waterloo Insurance Company	01/09/16	2.99%	2.99%
Wawanesa Mutual Insurance Company	15/09/16	2.83%	2.83%
Zenith Insurance Company	15/09/16	Review Pending	Review Pending

## LIST OF 2016 RATE FILINGS COMMERCIAL, MISCELLANEOUS

Insurance Company Name	Filing Class	Date of Filing	Approved Rate Change
AIG Insurance Company of Canada	School Buses	8/29/2016	12.00%
	Public Buses	8/29/2016	2.91%
	Private Buses	8/29/2016	2.33%
	Ambulances	8/29/2016	-4.15%
	Interurban	8/29/2016	-4.15%
	Commercial	8/29/2016	-4.15%
Allstate Insurance Company of Canada	Motorcycles	12/2/2016	0.00%
	Snow Vehicles	4/22/2016	0.00%
	Motorhomes	4/22/2016	0.00%
	Camper Trailers	4/22/2016	0.00%
	All Terrain Vehicle	4/22/2016	0.00%
Aviva General Insurance Company	All Terrain Vehicle	12/9/2016	Review Pending
	Snow Vehicles	12/9/2016	Review Pending
	Camper Trailers	12/9/2016	Review Pending
	Motorcycles	12/2/2016	Review Pending
	Motorhomes	12/2/2016	Review Pending
Aviva Insurance Company of Canada	Ambulances	10/14/2016	0.00%
	Private Buses	10/14/2016	0.00%
	Public Buses	10/14/2016	0.00%
	School Buses	10/14/2016	0.00%
	Taxi	10/14/2016	0.00%
	Commercial	6/24/2016	0.00%
	Interurban	6/24/2016	0.00%
	All Terrain Vehicle	6/9/2016	0.00%
	Snow Vehicles	6/9/2016	0.00%

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
	Camper Trailers	6/9/2016	0.00%
	Motorhomes	6/9/2016	0.00%
	Motorcycles	6/9/2016	0.00%
CAA Insurance Company	Motorhomes	12/19/2016	0.00%
	Camper Trailers	12/19/2016	0.00%
	All Terrain Vehicle	4/19/2016	0.00%
Certas Home and Auto Insurance Company	All Terrain Vehicle	4/12/2016	0.00%
	Motorcycles	4/12/2016	0.00%
	Motorhomes	3/24/2016	0.00%
	Snow Vehicles	3/24/2016	0.00%
	Comm & Int COMBINED	3/10/2016	0.00%
Co-operators General Insurance Company	Motorcycles	7/8/2016	0.00%
	Motorhomes	7/8/2016	0.00%
	Camper Trailers	7/8/2016	0.00%
	All Terrain Vehicle	6/17/2016	0.00%
	Snow Vehicles	4/1/2016	0.00%
	School Buses	4/1/2016	0.00%
	Private Buses	4/1/2016	0.00%
	Comm & Int COMBINED	4/1/2016	0.00%
	Antique & Classic Vehicles	4/1/2016	0.00%
COSECO Insurance Company	Snow Vehicles	5/6/2016	-4.93%
	Camper Trailers	5/6/2016	0.00%
	Motorhomes	5/6/2016	1.47%
	Motorcycles	5/6/2016	0.00%
	Motorcycles	5/6/2016	0.00%
	All Terrain Vehicle	5/6/2016	0.00%
CUMIS General Insurance Company	Snow Vehicles	5/6/2016	0.00%
	Camper Trailers (MH+CT+TR)	5/6/2016	0.00%
	Motorhomes	5/6/2016	0.00%
	Motorcycles	5/6/2016	0.00%
	Motorcycles	5/6/2016	0.00%
	All Terrain Vehicle	5/6/2016	0.00%
Dominion of Canada General Insurance Company	Snow Vehicles	8/26/2016	0.00%
	Motorhomes	8/26/2016	0.00%
	Motorcycles	8/26/2016	0.00%
	Camper Trailers	8/26/2016	0.00%
	All Terrain Vehicle	8/26/2016	0.00%
	Antique & Classic Vehicles	8/26/2016	0.00%
	Public Buses	8/26/2016	0.00%

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate of Change
	Private Buses	8/26/2016	0.00%
	Taxi	8/26/2016	2.93%
	All Other Public	8/26/2016	0.00%
	Ambulances	8/26/2016	0.00%
	Interurban	8/26/2016	0.00%
	Commercial	3/22/2016	0.00%
Echelon General Insurance Company	Commercial	5/9/2016	0.00%
Economical Mutual Insurance Company	Comm & Int COMBINED	6/30/2016	0.00%
	Camper Trailers	5/13/2016	0.00%
	Snow Vehicles	5/13/2016	0.00%
	Motorcycles	5/13/2016	0.00%
	Motorhomes	5/13/2016	0.00%
	All Terrain Vehicle	5/13/2016	5.19%
	Antique & Classic Vehicles	5/13/2016	0.00%
	Private Buses	4/8/2016	2.97%
Elite Insurance Company	Motorhomes	1/24/2017	0.00%
	Motorcycles	3/18/2016	0.00%
	Motorcycles	1/8/2016	2.99%
	Camper Trailers	1/7/2016	-4.91%
	Antique & Classic Vehicles	1/7/2016	0.00%
Facility Association	Taxi	1/4/2017	0.00%
	Antique & Classic Vehicles	9/21/2016	0.00%
	Motorhomes	9/21/2016	0.00%
	Motorcycles	9/21/2016	0.00%
	Camper Trailers	9/21/2016	0.00%
	All Terrain Vehicle	9/21/2016	0.00%
	Taxi	9/16/2016	-10.07%
	School Buses	4/29/2016	2.96%
	Public Buses	4/29/2016	0.00%
	Private Buses	4/29/2016	0.00%
	All Other Public	4/29/2016	0.00%
	All Other Public	4/29/2016	0.00%
	Ambulances	4/29/2016	0.00%
	Taxi	4/29/2016	Review Pending
	Commercial	4/22/2016	Review Pending
	Snow Vehicles	4/22/2016	0.00%
	Interurban	4/22/2016	0.00%
Federated Insurance Company of Canada	Motorcycles	11/24/2016	0.00%
	Snow Vehicles	11/24/2016	0.00%
	Motorhomes	11/24/2016	0.00%

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate of Change
	Camper Trailers	11/24/2016	0.00%
	All Terrain Vehicle	11/24/2016	0.00%
	Antique & Classic Vehicles	11/24/2016	0.00%
	Interurban	3/1/2016	0.00%
	Commercial	3/1/2016	0.00%
Guarantee Company of North America	Comm & Int COMBINED	4/4/2016	0.00%
IAO Actuarial Consulting Services Inc.	Taxi	11/30/2016	3.00%
	Snow Vehicles	11/30/2016	0.00%
	School Buses	11/30/2016	0.00%
	Public Buses	11/30/2016	0.00%
	Private Buses	11/30/2016	-14.14%
	Motorhomes	11/30/2016	0.00%
	Motorcycles	11/30/2016	0.00%
	All Terrain Vehicle	11/30/2016	-11.42%
	Ambulances	11/30/2016	-27.70%
	Interurban	11/30/2016	0.00%
	Commercial	11/30/2016	2.91%
Insurance Company of Prince Edward Island	Commercial	3/28/2016	0.00%
	Interurban	3/28/2016	0.00%
	Motorhomes	3/11/2016	0.00%
	Antique & Classic Vehicles	3/11/2016	0.00%
	All Terrain Vehicle	2/19/2016	0.00%
	Motorcycles	2/19/2016	0.00%
	Camper Trailers	2/19/2016	0.00%
	Snow Vehicles	2/19/2016	0.00%
Intact Insurance Company	Snow Vehicles	10/19/2016	0.00%
	Motorhomes,Campers,Trailers	10/19/2016	0.00%
	Motorcycles	10/19/2016	0.00%
	Camper Trailers	10/19/2016	0.75%
	All Terrain Vehicle	10/19/2016	0.00%
	Antique & Classic Vehicles	10/19/2016	0.00%
	Taxi	10/17/2016	0.00%
	School Buses	10/17/2016	0.00%
	Public Buses	10/17/2016	0.00%
	Private Buses	10/17/2016	0.00%
	Ambulances	10/17/2016	0.00%
	Interurban	10/17/2016	0.00%
	Commercial	6/17/2016	0.00%
Lloyds Underwriters	Motorcycles	12/9/2016	0.00%



Insurance Company Name	Filing Class	Date Of Filing	Approved Rate of Change
	Snow Vehicles	12/9/2016	0.00%
	All Terrain Vehicle	12/9/2016	0.00%
Northbridge General Insurance Corporation	Motorhomes	11/24/2016	0.00%
	All Terrain Vehicle	11/24/2016	0.00%
	Antique & Classic Vehicles	11/24/2016	0.00%
	Snow Vehicles	11/24/2016	12.00%
	Camper Trailers	11/24/2016	0.25%
	Motorcycles	11/24/2016	-6.14%
	Taxi	10/20/2016	-4.15%
	Comm & Int COMBINED	10/20/2016	-4.15%
	Ambulances	10/20/2016	-4.94%
	Public Buses	10/20/2016	2.99%
	Private Buses	10/20/2016	0.00%
	School Buses	10/20/2016	-1.53%
Northbridge Personal Insurance Corporation	Motorcycles	11/24/2016	0.00%
	Camper Trailers	11/24/2016	0.00%
	Snow Vehicles	11/24/2016	0.00%
	Motorhomes	11/24/2016	0.00%
	All Terrain Vehicle	11/24/2016	0.00%
	Antique & Classic Vehicles	11/24/2016	0.00%
	Taxi	10/20/2016	0.00%
	Comm & Int COMBINED	10/20/2016	0.00%
	Ambulances	10/20/2016	0.00%
	Public Buses	10/20/2016	2.59%
	Private Buses	10/20/2016	-2.92%
	School Buses	10/20/2016	-0.72%
Pembridge Insurance Company	Motorcycles	12/21/2016	-1.53%
	Snow Vehicles	4/22/2016	0.00%
	Motorhomes	4/22/2016	0.00%
	Camper Trailers	4/22/2016	0.00%
	All Terrain Vehicle	4/22/2016	0.00%
Personal Insurance Company	Motorcycles	5/6/2016	0.00%
	Camper Trailers	5/6/2016	-6.26%
	Motorhomes,Campers,Trailers	5/6/2016	0.00%
	Snow Vehicles	5/6/2016	0.00%
	All Terrain Vehicle	5/6/2016	0.00%
	Motorcycles	5/6/2016	2.59%
Portage la Prairie Mutual Insurance Company	Camper Trailers	11/24/2016	-2.92%
	Snow Vehicles	11/24/2016	-0.72%

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate of Change
	Motorhomes	11/24/2016	-1.53%
	All Terrain Vehicle	11/24/2016	0.00%
	Motorcycles	11/24/2016	0.00%
	Commercial	11/14/2016	2.97%
Primmum Insurance Company	Snow Vehicles	7/22/2016	0.00%
	Motorcycles	7/22/2016	2.98%
	Camper Trailers	7/22/2016	-2.14%
	All Terrain Vehicle	7/22/2016	0.00%
	Motorhomes	5/20/2016	0.00%
Promutuel de l'Estuaire	Snow Vehicles	4/27/2016	0.00%
	Commercial	4/27/2016	0.00%
	Camper Trailers	4/27/2016	0.00%
	All Terrain Vehicle	4/27/2016	-3.80%
	Motorcycles	2/5/2016	1.45%
Royal and Sun Alliance Insurance Company of Canada	Snow Vehicles	4/1/2016	0.00%
	Motorhomes,Campers,Trailers	4/1/2016	0.00%
	Motorcycles	4/1/2016	0.00%
	Camper Trailers	4/1/2016	0.00%
	All Terrain Vehicle	4/1/2016	0.00%
	Antique & Classic Vehicles	4/1/2016	0.00%
	Commercial	3/11/2016	0.00%
	All Buses	3/11/2016	4.34%
	Ambulances	3/11/2016	0.00%
	Taxi	3/11/2016	0.00%
	Interurban	3/11/2016	0.00%
Scottish & York Insurance Company Limited	Snow Vehicles	6/10/2016	0.00%
	Motorhomes	6/10/2016	0.00%
	Motorcycles (& Mopeds) (MC)	6/10/2016	0.00%
	Camper Trailers	6/10/2016	0.00%
	All Terrain Vehicle	6/10/2016	0.00%
Security National Insurance Company	Snow Vehicles	7/22/2016	2.94%
	Motorcycles	7/22/2016	2.50%
	Camper Trailers	7/22/2016	0.00%
	All Terrain Vehicle	7/22/2016	4.18%
	Motorhomes	5/20/2016	0.00%
Sovereign General Insurance Company	Motorcycles	3/18/2017	0.00%
	Snow Vehicles	4/15/2016	0.00%
	School Buses	4/15/2016	0.00%
	Public Buses	4/15/2016	2.90%

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate of Change
	Private Buses	4/15/2016	0.00%
	All Other Public	4/15/2016	0.00%
	Motorhomes	4/15/2016	0.00%
	Camper Trailers	4/15/2016	0.00%
	All Terrain Vehicle	4/15/2016	0.00%
	Ambulances	4/15/2016	0.00%
TD Home and Auto Insurance Company	Snow Vehicles	7/22/2016	0.00%
	Motorcycles	7/22/2016	0.00%
	Camper Trailers	7/22/2016	0.00%
	All Terrain Vehicle	7/22/2016	0.00%
	Motorhomes	5/20/2016	0.00%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Motorcycles	11/24/2016	0.00%
	Snow Vehicles	11/24/2016	0.00%
	Motorhomes	11/24/2016	0.00%
	Camper Trailers	11/24/2016	0.00%
	All Terrain Vehicle	11/24/2016	0.00%
	Antique & Classic Vehicles	11/24/2016	0.00%
	Taxi	10/20/2016	0.00%
	Comm & Int COMBINED	10/20/2016	2.59%
	Ambulances	10/20/2016	4.18%
	Public Buses	10/20/2016	0.00%
	Private Buses	10/20/2016	2.50%
	School Buses	10/20/2016	2.94%
Traders General Insurance Company	Camper Trailers	3/10/2016	0.00%
	Snow Vehicles	3/10/2016	-2.90%
	Motorhomes	3/10/2016	0.00%
	Motorcycles (& Mopeds) (MC)	3/10/2016	0.00%
	All Terrain Vehicle	3/10/2016	0.00%
Trafalgar Insurance Company of Canada	Snow Vehicles	10/19/2016	0.00%
	Motorhomes,Campers,Trailers	10/19/2016	0.00%
	Motorcycles	10/19/2016	0.00%
	Camper Trailers	10/19/2016	0.00%
	All Terrain Vehicle	10/19/2016	0.00%
	Antique & Classic Vehicles	10/19/2016	0.00%
Unifund Assurance Company	Camper Trailers	7/22/2016	0.00%
	Motorhomes	7/22/2016	0.00%
	Motorcycles	7/22/2016	0.00%
	Snow Vehicles	7/22/2016	0.00%
	All Terrain Vehicle	7/22/2016	0.00%

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate of Change
United General Insurance Corporation	Commercial	5/20/2016	0.00%
	All Terrain Vehicle	5/20/2016	0.00%
	Snow Vehicles	5/20/2016	0.00%
	Motorcycles	5/20/2016	0.00%
Waterloo Insurance Company	Snow Vehicles	5/13/2016	0.00%
	Camper Trailers	5/13/2016	0.00%
	Motorcycles	5/13/2016	0.00%
	Motorhomes	5/13/2016	0.00%
	All Terrain Vehicle	5/13/2016	0.00%
	Antique & Classic Vehicles	5/13/2016	0.00%
Wawanesa Mutual Insurance Company	Commercial	4/26/2016	0.00%
	Snow Vehicles	4/14/2016	2.59%
	Motorcycles	4/14/2016	-2.92%
	All Terrain Vehicle	4/14/2016	-0.72%
	Camper Trailers	4/14/2016	-1.53%
Zenith Insurance Company	Antique & Classic Vehicles	11/24/2016	0.00%
	All Terrain Vehicle	11/24/2016	0.00%
	Motorhomes	11/24/2016	0.00%
	Snow Vehicles	11/24/2016	0.00%
	Camper Trailers	11/24/2016	0.00%
	Motorcycles	11/24/2016	-6.19%

## LIST OF 2016 NON-RATE 2016 FILLINGS

Insurance Company Name	Filing Class	Date Of Filing
Allstate Insurance Company of Canada	Rate Group Update Filing	4/15/2016
Aviva Insurance Company of Canada	Rate Group Update Filing	2/29/2016
Certas Home and Auto Insurance Company	Endorsement Filing	8/23/2016
Dominion of Canada General Insurance Company	Rate Group Update Filing	3/22/2016
Echelon General Insurance Company	Rate Group Update Filing	6/27/2016
Elite Insurance Company	Rate Group Update Filing	10/12/2016
Facility Association	Rate Group Update Filing	6/13/2016
Insurance Company of Prince Edward Island	Rate Group Update Filing	6/15/2016
Intact Insurance Company	Rate Group Update Filing	12/16/2016
Northbridge General Insurance Corporation	Rate Group Update Filing	12/1/2016
Pafco Insurance Company	Rate Group Update Filing	4/15/2016
Pembridge Insurance Company	Rate Group Update Filing	4/15/2016
Personal Insurance Company	Endorsement Filing	8/23/2016
Primum Insurance Company	Rate Group Update Filing	4/29/2016
Primum Insurance Company	Underwriting Rule Filing	2/26/2016
Promutuel de l'Estuaire	Underwriting Rule Filing	12/19/2016
Royal and Sun Alliance Insurance Company of Canada	Rate Group Update Filing	8/12/2016
Security National Insurance Company	Rate Group Update Filing	4/29/2016
Security National Insurance Company	Underwriting Rule Filing	2/26/2016
TD Home and Auto Insurance Company	Rate Group Update Filing	4/29/2016
TD Home and Auto Insurance Company	Underwriting Rule Filing	2/26/2016
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Rate Group Update Filing	12/1/2016
Traders General Insurance Company	Rating Rule Filing	12/8/2016
Traders General Insurance Company	Endorsement Filing	6/10/2016
XL Specialty Insurance Company	Rate Group Update Filing	10/5/2016



# | APPENDIX B — AUDITED FINANCIAL STATEMENTS





Financial Statements Of

**New Brunswick Insurance Board**

March 31, 2016

Peter G. Gaulton  
Chartered Professional Accountant, CA

# New Brunswick Insurance Board

Financial Statements

For the year ended March 31, 2016

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

I have audited the accompanying financial statements of the New Brunswick Insurance Board, which comprise the statement of financial position as at March 31, 2016, 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 the New Brunswick Insurance Board as at March 31, 2016, 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, 2016  
Saint John, NB



Chartered Professional Accountant, CA

# New Brunswick Insurance Board


Statement of Financial Position


As at March 31, 2016

	2016	2015
<b>Financial Assets</b>		
Current:		
Cash in bank	\$ 2,045,478	\$ 1,320,378
Accounts receivable	4,656	501,992
Harmonized sales tax recoverable	19,744	168,702
	<u>2,069,878</u>	<u>1,991,072</u>
<b>Liabilities</b>		
Current:		
Accounts payable and accrued liabilities	149,994	90,837
Employee deductions payable	20,286	20,911
Deferred assessments (note 6)	1,957,020	1,944,471
	<u>2,127,300</u>	<u>2,056,219</u>
<b>Net Financial Assets(Liabilities)</b>	<u>(57,422)</u>	<u>(65,147)</u>
<b>Non-Financial Assets</b>		
Property, Plant and Equipment (note 3)	663,988	649,594
Less: accumulated amortization	(617,981)	(590,832)
	<u>46,007</u>	<u>58,762</u>
Prepaid expenses	11,415	6,385
	<u>57,422</u>	<u>65,147</u>
<b>Accumulated Surplus</b>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

Approved by the Board:

  
\_\_\_\_\_  
Vice-Chairperson

  
\_\_\_\_\_  
Executive Director

# New Brunswick Insurance Board

## Statement of Operations and Net Financial Assets

For the year ended March 31, 2016

	2016	2015
<b>Receipts</b>		
Assessments	\$ 1,669,624	\$ 1,765,971
Interest	5,450	10,136
Other	180	10,456
	<u>1,675,254</u>	<u>1,786,563</u>
<b>Operating disbursements</b>		
Wages, benefits and other employee costs	839,620	823,596
Interest and bank charges	2,017	1,583
Uncollectible assessments	70	-
Rent	128,654	129,530
Amortization expense	27,148	42,940
Office expenses	20,688	17,310
Audit and accounting	14,334	14,869
Consulting services	-	9,114
Training and education	32,879	31,777
Telecommunications	20,622	25,079
Equipment leases	1,696	6,023
Communications and community support	11,722	30,262
Meetings and conferences	9,466	11,742
Insurance	1,442	1,522
	<u>1,110,358</u>	<u>1,145,347</u>
<b>Regulatory disbursements</b>		
Board compensation	103,479	94,344
Board member training & education	23,120	21,945
Board member meetings & conferences	2,103	6,485
Travel	6,785	1,465
Advertising	1,698	-
Actuarial services	369,719	498,457
Hearing expenses	14,796	8,300
Legal	43,196	10,220
	<u>564,896</u>	<u>641,216</u>
Annual surplus	NIL	NIL
Net financial assets, beginning of year	NIL	NIL
<b>Net financial assets, end of year</b>	<b>\$ NIL</b>	<b>\$ NIL</b>

See accompanying notes to financial statements

# New Brunswick Insurance Board

## Statement of Cash Flows

For the year ended March 31, 2016

	2016	2015
Cash provided by (used in):		
<b>Operations</b>		
Annual surplus	\$ -	\$ -
Items not involving an outlay of cash:		
Loss (gain) on disposal of equipment	-	(9,092)
Amortization expense	27,148	42,940
	27,148	33,848
Decrease (increase) in accounts receivable	497,336	(476,443)
Decrease (increase) in HST recoverable	148,959	(107,560)
Decrease (increase) in prepaid expenses	(5,030)	(1,602)
Increase (decrease) in accounts payable	59,157	(74,277)
Increase (decrease) in employee deductions payable	(625)	10,616
Increase (decrease) in deferred revenue	12,549	(26,921)
	739,494	(642,339)
<b>Investing</b>		
Purchase of property, plant and equipment	(14,394)	(81,159)
Proceeds on the disposal of equipment	-	24,600
	(14,394)	(56,559)
Increase (decrease) in cash	725,100	(698,898)
Cash, beginning of year	1,320,378	2,019,276
<b>Cash, end of year</b>	<b>\$ 2,045,478</b>	<b>\$ 1,320,378</b>

See accompanying notes to financial statements

# New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2016

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## 1. Purpose of the organization

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

The NBIB 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 NBIB 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 NBIB 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 NBIB 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 NBIB 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, 2016

## 3. Property, plant and equipment

	Cost	2016		2015
		Accumulated Amortization	Net book Value	Net book Value
Computer equipment	\$ 196,887	\$ 188,138	\$ 8,749	\$ 4,684
Computer software	124,350	117,723	6,627	9,027
Systems software	183,190	183,190	-	-
Vehicle	25,299	12,650	12,649	18,974
Leasehold improvements	27,507	18,146	9,361	14,862
Furniture and fixtures	106,755	98,134	8,621	11,215
	\$ 663,988	\$ 617,981	\$ 46,007	\$ 58,762

## 4. Future employee benefits

Pension Plan:

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

For the year ending March 31, 2016, the NBIB's pension contributions amounted to \$82,870 (2015: \$86,874).

## 5. Commitments

The NBIB renegotiated an operating lease of its office premises for a period of 6 years commencing January 1, 2010. In 2015, the NBIB renegotiated the lease and extended the term for an additional period of 5 years. The minimum annual payments under the lease terms are as follows:

April 1, 2015 - December 31, 2020: \$ 116,643

The NBIB negotiated an operating lease for a new photocopier in December, 2014. The minimum annual payments under the lease terms are as follows:

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



# New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2016

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## 6. Deferred assessments and capital management

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

## 8. Financial instruments

### Credit risk

The NBIB 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 NBIB to credit risk at March 31, 2016 is as follows:

Cash	\$	2,045,478
Accounts receivable		4,656
	\$	<u>2,050,134</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 NBIB'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 NBIB and the insurance companies.

### Liquidity risk

Liquidity risk is the risk that the NBIB 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 NBIB not being able to liquidate assets in a timely manner at a reasonable price.

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

### Market risk

The NBIB 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 NBIB is exposed is interest rate risk.

# **New Brunswick Insurance Board**

Notes to Financial Statements

For the year ended March 31, 2016

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## **8. Financial instruments (continued)**

### **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 NBIB arises from its interest bearing assets.

## **9. Cash and cash equivalents**

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