



**ORAL DECISION**

**IN THE MATTER OF a Generic Hearing for the Purpose of Quantifying the  
Impact of Changes for First Chance Policy, No Frills Policy and Direct  
Compensation Property Damage**

**November 19, 2004**

**New Brunswick Insurance Board**

**NEW BRUNSWICK INSURANCE BOARD**

IN THE MATTER OF a Generic Hearing for the Purpose of Quantifying the Impact of Changes for First Chance Policy, No Frills Policy and Direct Compensation Property Damage

BOARD:	Lewis Ayles	- Chairman
	Paul D’Astous	- Vice Chairman
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	Anna Albert Guimond	- Commissioner
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	Guildard Pelletier	- Commissioner
	Kathleen Quigg	- Commissioner
	Richard Tingley	- Commissioner
	Elsie Wayne	- Commissioner

BOARD ACTUARY: Richard Gauthier

PRESENTER:

Insurance Bureau of Canada (IBC)

REPRESENTED BY:

Ms. Barbara Addie  
Actuary, Exactor Insurance  
Services Inc.

Mr. Don Forgeron  
VP/IBC – Atlantic

## **New Brunswick Insurance Board**

IN THE MATTER OF a Generic Hearing  
for the Purpose of Quantifying the Impact of  
Changes for First Chance Policy, No Frills  
Policy and Direct Compensation Property  
Damage

### **DECISION**

The New Brunswick Insurance Board issued an order calling for a Generic Hearing to review the impact of changes to be charged to Private Passenger owners for the following policies: First Chance Policy, No Frills Policy, and DCPD.

At the invitation of the Board, the Insurance Bureau of Canada filed its expert report, providing an actuarial estimate of the quantification of the impact of changes.

The Board convened the Generic Hearing on November 19<sup>th</sup> to hear the evidence.

The Board defines No Frills as: third party liability limit of insurance at the minimum regulatory requirement.

Accident Benefits coverage of

Funeral	\$1,250
Death	\$25,000/\$12,500/\$2,500
Medical	\$25,000
Disability Income	\$125 per week
Home Care	\$50 per week

Direct Compensation Property Damage with \$1,000 deductible. Collision, Comprehensive, All Perils, Specified Perils at \$1,000 deductible.

Any deviation from the package is not to be available under No Frills.

The Board accepts the IBC submission regarding the impact of the reduction of Accident Benefits for No Frills except as follows: The Board finds that the No Frills will not bear any cost for potential tort recovery due to lower No Frills benefits.

The Board accepts the methodology used and the results on third party liability premiums due to the introduction of DCPD.

The Board accepts the methodology and results on the reduction in DCPD costs due to the implementation of \$1,000 deductible on No Frills. The Board accepts the impact of the introduction of First Chance on the insured population.

Dated at the City of Saint John, New Brunswick this 19<sup>th</sup> day of November 2004.

(Sgd) Lewis Ayles

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Lewis C. Ayles  
Chairperson

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