

New Brunswick Regulation 2013-37
Injury Regulation - Insurance Act
NBIB Interim Guidance to Industry - May 2013

In response to recently released amendments to the *Injury Regulation - Insurance Act* (also known as the minor injury regulation (MIR)) by the Government of New Brunswick (www.gnb.ca/0062/acts/BBR-2013/2013-37.pdf), the New Brunswick Insurance Board (NBIB) is providing the following interim guidance to insurers:

- 1) The NBIB recognizes that the MIR amendments may ultimately result in changes to experience for frequency and severity of claims (i.e. loss costs) after they become effective on July 1, 2013.
- 2) The mandate of the NBIB is to ensure that auto insurance rates are just and reasonable and that, within this context, rate stability is a primary concern for both consumers and industry.
- 3) Over the past decade, rate stability has been achieved by ensuring that, to the greatest extent possible, rate applications by insurers have utilized loss cost data that is the most recent and most complete available.
- 4) The NBIB will hold a generic public hearing in Summer 2013 to allow stakeholders to make submissions to the Board with respect to the potential impact of MIR amendments on loss costs.
- 5) The purpose of the hearing will be for the Board to receive information that will enable it to issue a decision that will contain further guidance to industry.

This guidance can then be utilized in making future rate applications beginning in Autumn 2013 and will set out the Board's expectations with respect to the inclusion of predicted changes to experience as a result of the MIR amendments. Furthermore, the Board anticipates establishing an expected timeframe to be followed during the transition period following the implementation of the amendments.

- 6) In the interim period, prior to the pending generic hearing, the NBIB anticipates that insurers would **NOT** file rate applications with the sole purpose of amending rates in response to the amendments to the MIR.

The NBIB will continue to accept and process regularly scheduled rate applications, however, any projected impact of the amended MIR should not be included in these applications given the lack of available data and in the absence of any further guidance from the Board.

When finalized, details of the pending generic hearing will be published in major New Brunswick daily newspapers and will be posted on the NBIB website at the same time. www.nbib-canb.org

Please contact the Board if you have any questions or require further clarification.

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