DECISION **2023 NBIB 270**

NEW BRUNSWICK INSURANCE BOARD

IN THE MATTER OF:
a rate revision application for the:
Sonnet Insurance Company
With respect to automobile insurance rates for:

Private Passenger Vehicles

Hearing Date: January 29, 2024

PANEL:

	Chair	Ms. Marie-Claude Doucet, LL.B.
	Member	Ms. Francine Kanhai
	Member	Ms. Heather Stephen
Applicant:	Sonnet Insurance Company	Ms. Nadia M. MacPhee, LL.B.
Intervenors:	The Office of the Attorney General	Mr. Christopher Whibbs, LL.B. Mr. John Gillis, LL.B.
	The Office of the Consumer Advocate for Insurance	Ms. Michèle Pelletier, LL.B., K.C.

Decision Rendered: March 28, 2024

Summary

[1] Sonnet Insurance Company (the "Applicant" or "Sonnet") filed an application to revise rates (the “Filing” or the “Application”) with respect to automobile insurance rates for Private Passenger Vehicles (“PPV”) in New Brunswick. Sonnet presented its filing to the New Brunswick Insurance Board (the “Board” based on an overall rate change indication of +28.70% and proposed an overall average rate increase of +22.20% (before capping) and +21.08% (after capping).

[2] Pursuant to subsection 267.5(1) of the *Insurance Act,* R.S.N.B., 1973 c. I-12 (the “*Act*”), the Board convened a Panel of the Board (the “Panel”) to conduct a Written Hearing (the “Hearing”) on January 29, 2024.

[3] In compliance with subsection 19.71(3) of the *Act*, the Board provided to the Office of the Attorney General (“OAG”), all documents relevant to the Hearing. This documentation was also provided to the Office of the Consumer Advocate for Insurance (“CAI”). Both the OAG and the CAI intervened in this Hearing; the OAG submitted an expert report and a final written submission with the assistance of actuaries, Oliver Wyman (OW), while the CAI filed a written submission and adopted the alternative provided by the OAG.

[4] Following deliberations on January 30, 2024, the Panel requested that the Applicant provide amended indications for the impact of the following adjustments to its Filing:

1. *For Third Party Liability,*
    a. *Modify the past frequency trend to -6.3% per annum; and*
    b. *Modify the future frequency trend to 0% per annum.*
2. *For Comprehensive.*
    a. *Maintain the past frequency trend at -5.6% per annum; and*
    b. *Modify the future frequency trend to 0% per annum.*
3. *For Comprehensive,*
    a. *Modify the past and future premium trend to 0% per annum.*
4. *Exclude the High Theft Vehicle rating variable.*

[5] The Applicant is ordered to incorporate changes to the Filing as per the above noted request for assumption adjustments, including modification to the Comprehensive and Specified Perils rate changes from +43.0% to +41.18% uncapped.

[6] With the changes to indications provided, the Panel finds that Sonnet's proposed average rate change, as revised as per the Panel's request, is just and reasonable in the circumstances and Sonnet is **approved to adopt the average rate change of +22.20% (before capping) and +21.08% (after capping),** effective April 21, 2024 for new business and June 5, 2024 for renewal business.

Exhibits

[7] As part of the Hearing process, the Panel accepted the following Exhibits as part of the Record of Hearing:

EXHIBIT	TAB	DESCRIPTION	DATE
1	.01	Original Private Passenger Rate Filing	August 28, 2023
	.02	Round 1 Questions from KPMG	September 11, 2023
	.03	Round 1 Questions from NBIB	September 12, 2023
	.04	Round 1 Response to KPMG	September 13, 2023
	.05	Round 1 Response to NBIB	September 15, 2023
	.06	Round 2 Questions from NBIB	September 28, 2023
	.07	Round 2 Response to NBIB	October 3, 2023
	.08	Round 2 Questions from KPMG	October 13, 2023
	.09	Round 2 Response to KPMG	October 17, 2023
	.10	Round 3 Questions from KPMG	October 30, 2023
	.11	Round 3 Response to KPMG	November 1, 2023
	.12	Updated Proposed Manual Submission	November 3, 2023
	.13	KPMG Actuarial Review	November 6, 2023
	.14	Round 1 IRs to Parties	November 24, 2023
	.15	Round 1 IRs Response from Company	December 1, 2023
	.16	Round 2 IRs to Parties	December 8, 2023
	.17	Round 2 IRs Response from Company	December 15, 2023
	.18	Intervenor Report	January 5, 2024
	.19	Final written submission CAI	January 12, 2024
	.20	Final written submission Company	January 12, 2024
	.21	Final written submission OAG	January 13, 2024
	.22	Post Final written submission from OAG	January 23, 2024
	.23	Board request for Assumption Adjustments	January 30, 2024
	.24	Company Response to Assumption Adjustment	February 5, 2024
	.25	Board Follow up Request	February 15, 2024
	.26	Company Response to Follow up Request	February 21, 2024

1. Introduction

[8] The Board is mandated by the Legislature with the general supervision of automobile insurance rates in the Province of New Brunswick. In order to fulfill that mandate, the Board exercises the powers prescribed by the *Act*. One key responsibility for the Board is to ensure that rates charged, or proposed to be charged, are just and reasonable. Under the *Act*, each insurer carrying on the business of automobile insurance in the province must file with the Board the rates it proposes to charge at least once every 12 months from the date of its last filing. An insurer must appear before the Board when:

a. The Insurer files for a rate change more than twice in a 12-month period, or
b. The Insurer files rates where the average rate increase is more than 3% greater than the rates charged by it within the 12 months prior to the date on which it proposes to begin to charge the rates, or
c. The Board requires it to do so.

Procedural History

[9] The Applicant filed this Application for the Private Passenger Vehicle category on August 28, 2023. The original overall rate level change indication of the Filing was +28.70% and the Applicant sought an overall average rate increase of +22.20% (before capping) and +21.08% (after capping). A Hearing was triggered by operation of the *Act*, as the average rate change increase was greater than 3%.

[10] The Board issued a Notice of Hearing on October 30, 2023 and convened a Panel of the Board to conduct a Written Hearing on the matter. The OAG and the CAI both provided notice of their respective intentions to intervene in the Hearing.

[11] Prior to the Hearing, in addition to the Filing, additional information and clarification was generated: the Board posed a number of questions to the Applicant through two (2) rounds of questions from the Board's staff and three (3) rounds from its actuaries. The OAG submitted two sets of interrogatories to the Applicant. The Applicant responded to all questions posed and the answers form part of the Record.

[12] Pre-hearing written submissions were provided by the Applicant, the OAG, and the CAI to the Panel for consideration.

[13] Following the delivery of the Final Submissions, the Board received correspondence from counsel to the OAG advising that the range between the Applicant's indications, and the alternative proposed by the OAG's expert was relatively small. As such, with the consent of all parties, he sought to convert the Hearing from an oral hearing to a written hearing format. The Board issued a Directive pursuant to section 6.2.1 of the New Brunswick Insurance Board's Rules of Procedure which allows an alteration in format. The Hearing was therefore converted to a written hearing.

[14] The written Hearing took place on January 29, 2024. On January 30, 2024, a request for adjustments was delivered to the Applicant, to which a response was received on February 5, 2024. The Panel reconvened on February 14, and later issued a second request to the Applicant, to which response was received on February 21, 2024. A second reconvene was held by the Panel on the matter on February 26, 2024 to review responses submitted to the Board further to its requests for additional information and adjustments.

2. Evidence and Positions of the Parties

Sonnet Insurance Company

[15] The Applicant's Filing forms the main portion of evidence before the Panel.

[16] Sonnet presented its Filing to the Board with an overall original rate change indication of +28.70% and proposed an overall average rate increase of +22.20% (before capping) and +21.08% (after capping).

[17] The following table summarizes the indicated and proposed rate changes by coverage, as of the date of Hearing:

Coverage	Indicated	Proposed (before capping)	Proposed (after capping)
Bodily Injury (TPL-BI)	17.21%	12.00%	11.45%
Property Damage (TPL-PD)	Included with BI		
Property Damage – Direct Compensation (DCPD)	10.00%	9.00%	8.16%
Accident Benefits (AB)	7.50%	4.99%	4.48%
Uninsured Auto (UA)	25.76%	-0.01%	-0.21%
Collision (COL)	51.84%	35.01%	33.78%
Comprehensive (COM)	52.53%	42.99%	40.55%
Specified Perils (SP)	-11.02%	42.98%	40.95%
Underinsured Motorist (UM) – SEF44	-50.76%	-0.07%	-0.73%
Total	28.70%	22.20%	21.08%

[18] The rate indication calculations detailed in the Filing incorporate various assumptions, including an after-tax target return on equity (ROE) of +11.93 % (implied ROE of -1.09%) with proposed rate change), a target Return on Premium of +6.50%, an implied Return on Premium of -2.67%, an investment rate on cash flow (discount rate) of +3.80% , an after-tax investment rate on capital (IRS) of +2.70%, and a 2.00:1 premium to surplus ratio. Proposed average rates would increase from the current average premium of approximately $1,671 to approximately $2,024 after capping.

[19] In its Final Submission, the Applicant provided its rationale for the requirement of the rate increase, stating that it was necessary in order to bring rates to a sustainable level of rate adequacy.

[20] The submitted that the assumptions underlying the rate filing were supported and reasonable and that the assumptions are neither overly conservative nor overly optimistic.

The Office of the Attorney General

[21] The OAG intervened in the Hearing and took an active part in the review of the Application, questioning the assumptions therein, through the interrogatory process, filing an expert report and making a written submission to the Panel. That final written submission, prepared with the assistance of its expert

actuaries, Oliver Wyman (OW), identified several aspects of the Filing where alternative calculations and / or assumptions were argued to be more appropriate.

[22] The OAG argued, in a revised submission dated January 23, 2024, that with alternative assumptions, judgments, and calculations, which it suggests are more appropriate, the indicated rate change would be reduced to +20.13%.

The Office of the Consumer Advocate for Insurance

[23] The CAI, in her final written submission of January 12, 2024, argued that the increase proposed by the Applicant is neither just nor reasonable for the consumers of New Brunswick. The CAI further argued that the alternatives presented by the Intervenors are more appropriate and that these alternatives ought to be preferred and applied in favour of New Brunswick consumers. The CAI also raises concerns about the reasonableness of rates overall and the Applicant's after-tax ROE assumption.

3. Analysis and Reasons

[24] The Panel has reviewed all the evidence before it, including the interrogatories, the written submissions and the alternative calculations provided by the Applicant on February 5, 2024, and February 21, 2024.

[25] The Panel recognizes and accepts the actuarial expertise of both the Applicant's actuaries who prepared the Filing and responded to the various inquiries and the expert actuaries, OW, on behalf of the OAG.

[26] The materials within the Record raised several issues for the Panel to consider and determine at the Hearing. Each of those issues is discussed individually below.

[27] The Panel's decision reflects that each model and methodology decision is laced with layers of data, assumptions, and judgment. For the reasons set out herein, the Panel concludes that Sonnet must revise its indications, and may adopt the proposed average rate level change of +22.20% (before capping) and +21.08% (after capping).

[28] The Panel addresses each of the material issues individually below:

a. **Loss Trend– Third Party Liability**
b. **Loss Trend – Accident Benefits**
c. **Loss Trend – DCPD**
d. **Loss Trend – Comprehensive**
e. **Premium Trend – Third Party Liability**
f. **Premium Trend – Accident Benefits**
g. **Premium Trend – Collision**
h. **Premium Trend – Comprehensive**
i. **Profit Provision – Target ROE**
j. **High Theft Vehicle Rating Variable**

A. *Loss Trends – Third Party Liability*

[29] Loss trends are assumptions that measure the annual rate of changes of past and future claims costs over time.

[30] The selection of loss trends requires the analysis of past data and the application of professional judgment in order to select trend rates that reasonably reflect the rates of change of past experience and are reasonable predictions of future expected rates of change for each coverage.

[31] One of the challenges for the analysis of loss trends in the current environment is data sets which include pre-Covid-19 experience, the anomalous Covid-19 experience, and the emergence back toward "normalcy" since approximately 2022. These vastly different experiences inform the past loss trends, and must be carefully considered in order to apply to the upcoming policy period of 2024-2025. There is unquestionable uncertainty on what the experience will be during that period.

[32] The Applicant's frequency model for Third Party Liability (TPL) trends is based upon both its own data (2016H1-2023H1) and industry data (2016H1-2019H2), applying a 33% weight to the former and a 67% weight to the latter. A lesser weight is applied to Sonnet's own data due to the small volume of claims,

with high volatility; the inclusion of industry data, pre-Covid-19 provides some desired stability. The model adopts seasonality, and has no scalar to reflect the Covid-19 impacted periods.

[33] While the trend modeling based on Sonnet's own data result in poor goodness-of-fit statistics, those same measures are better for the modeling on industry data.

[34] The resultant selected past loss trend is -7.2%. For the future, however, the Applicant selected a loss trend of +3.1%, rationalizing that for long-tail coverages it does not expect the past trends to be predictive of the future given the changes in underlying data. Sonnet anticipates that the increasing trend observed in 2021 and 2022 will continue and therefore selects the positive trend of +3.1%. Sonnet also agrees that, in light of the uncertainty caused by Covid-19, trend shifts and reduced collision claims, a 0% frequency trend would also be reasonable.

[35] The OAG takes the position that a more appropriate model incorporates no seasonality, but adopts a Covid-19 scalar using only Sonnet's own data. The OAG also argues that both past and future trends for this coverage are the same at -6.3%.

[36] The OAG disagreed with Sonnet's perceived recent up-tick in trend and also finds that the 2023-1 data point is an unreliable estimate, and not a credible estimate of change in trend direction. The OAG also argued that a Covid-19 adjustment factor is appropriate to reflect the temporarily reduced frequencies during the period of Covid-19 impact. The suggested alternative trend is -6.3%, which results in only slightly better goodness-of-fit statistics.

[37] With respect to the inclusion of industry data, the Panel first considered whether the industry data was sufficiently similar to Sonnet data. The company's data provides a trend of -8.54% while industry data produces a trend of -6.46%, thus directionally similar. While it is not always appropriate to include industry data in this analysis, and company's own data is often preferred, the Panel accepts that in some circumstances it is appropriate in order to optimize the modeling of trends and that considering the respective credibility of the data sets and weighting of the results from the two data sets can be actuarially acceptable.

[38] In this case, the Panel agrees with the OAG that ensuring the model reflects Covid-19 is reasonable and appropriate. In response to an interrogatory, the Applicant calculated the fitted trend using Sonnet data with a Covid adjustment, at -6.3%, a calculation which the OAG concedes is reasonable. This compares

favourably to the Applicant's industry past trend (without adjustment) of -6.46%. Insofar as the weighting of industry data appears to bring no advantage to the analysis once the Covid adjustment is factored in, the Panel determined that the use of industry data was not required for this Filing. The Panel required the Applicant to modify its past frequency trend to the fitted past trend rate of -6.3%.

[39] For the future trend the Panel agrees with the Applicant that the future trend is very uncertain. While such a negative past trend is arguably less likely to continue, a sudden switch to a 3.1% future trend is also disputable. The Panel agreed that due to the significant uncertainty in these circumstances, a future trend rate of 0% for this coverage is appropriate.

B. Loss Trend – Accident Benefits

[40] Similar to the approach for Third Party Liability, for the Accident Benefits coverage, the Applicant blends two models – company data and industry data to attempt to discern an appropriate signal. The issue raised by the OAG for this coverage is again the Applicant's frequency modeling.

[41] As with the Bodily Injury coverage, the Applicant blends a weighted analysis for its own sparse data, as well as industry data (2/3 and 1/3 respectively) and derives a selected -1.8% past trend and a 0 % future trend.

[42] The OAG took the position that both the past and future trend were the same, and suggested that the -1.8% is an appropriate future frequency trend. There are no concerns raised with respect to the modeling itself.

[43] The issue, then, is whether the negative past trend ought to be continued into the future. The Applicant suggests not, on the basis that this is a long tail coverage which is a trend not expected to be predictive into the future. Sonnet's book of business, the Applicant says, has experienced improvements that are not expected to continue into the future.

[44] The Panel agrees that the Applicant has established the difficulty to design and implement significant initiatives that would continuously improve the book of business which may decrease frequency in the future periods and accepts the future trend of 0.00%.

C. Loss Trend – DCPD

[45] For the Direct Compensation Property Damage coverage, the Applicant relies upon a frequency trend that is close to zero, but past and future severity trends of +4.2% and +4.2%. To derive these severity trends, the Applicant utilized its own data from 2016H1 to 2023H1.

[46] The OAG's approach removed the last data point, excluding 2023H1 as an outlier, and because it is based on only 3 months of data. The exclusion of the data point produced a fitted trend of +3.9%, both past and future, which the Intervenor proposed as more reasonable.

[47] The Panel considered the impact on the model of the removal of the 2023 data point. The adjusted R2 of the Applicant's model is 79.33%, while the OAG's alternate model produces an adjusted R2 of 78.5%. The p-values of each model are 1.12% and 0.6% respectively. The Panel finds that the Applicant's model is a reasonable one in all of the circumstances, while the OAG's alternative data set does not materially improve the model. The Panel accepts the Applicant's trend analysis for this coverage.

D. Loss Trend – Comprehensive

[48] For the comprehensive coverage, Sonnet again derives separate trends for past and future analyses. The past frequency trend is based on its own data from 2016H1 to 2023H1, including adjustments for Covid-19 and seasonality. The future trend is based solely on industry data, from the period 2016H1 and 2020H2. The rationale for doing so, the Applicant argued, is that the industry frequency trends align with its internal trends for all coverages except this one. For this coverage, Sonnet's own past trend is a negative one, but this experience is not anticipated to continue. Sonnet argues that the past experience is driven by improvements in mix of business, but that these are not expected to continue. Consequently, Sonnet relies upon an industry frequency trend, anticipating its future experience with be aligned.

[49] With respect to the past trend, the Panel considered the Applicant's model, with its inclusion of Covid-19 and seasonality. The goodness-of-fit statistics for both the trend and the Covid-19 adjustment indicate the model is a good fit. With respect to the inclusion of seasonality, however, the goodness-of-fit measures are not statistically significant, but there is an immaterial impact to its inclusion. As such, the Panel accepts the Applicant's past frequency trend.

[50] The OAG challenged Sonnet's analysis for its future frequency trend. It argues that Sonnet's data exhibits a downward trend and therefore does not support the positive +2.2 % future trend. Using Sonnet's own data from 2017H1-2023H1, the OAG argued that the trend is -7.9%. However, the OAG recognized that there appears to be a "levelling" of recent frequency data points and as such, suggested that an appropriate future trend for the purpose of the Filing is 0%.

[51] The Applicant's use of the industry data as a foundation for its future frequency trend is not sufficiently supported. Further, the goodness-of-fit statistics associated with the model based on the industry data do not give clear signals as to the ability of the model to replicate the observed values. Similarly to Third Party Liability and Accident Benefits, the Panel considers the uncertainty in future trends and the ability to design and implement initiatives improving frequency and determined that a 0% trend is reasonable. The Applicant is ordered to make this change in its Filing.

E. Premium Trend – Third Party Liability

[52] The average premium level fluctuates over time for various reasons including rate changes, changes to the business mix of the insurer and changes to the structure of policies such as the level of deductible chosen by a policyholder. For the Applicant, while there have been reasonable rate increases over time, the modeling of average premium has decreased slowly due to underwriting improvements in the quality of their book of business. This serves to increase indicate rate level need.

[53] The Applicant's selected premium trend for bodily injury, based on data from 2018Q1 to 2022Q4 is -5.6%. While adjusted R2 value is acceptable at 66%, the p-value is 0.

[54] The OAG argues that a more reasonable model produced a premium trend of -0.5%, based on analysis of data from 2018Q1 to 2022Q4, introducing a scalar at 2020Q2, and excluding data points from 2018Q1 and 2020Q3 on the basis that they are outliers. While the adjusted R2 is positive, the p-value associated with this model is not supportive of a good fit, the OAG therefore argues that the appropriate alternative for premium trend is 0%.

[55] The Panel is persuaded that the Applicant's model is reasonable and the trends are adequately supported; Sonnet's profitability has been challenged by its book of business mix. The Applicant's Third Party Liability premium trends are accepted.

F. Premium Trend – Accident Benefits

[56] For the Accident Benefits coverage, the Applicant utilized data from 2018Q1 to 2022Q4 with no scalars, arriving at a trend of -5.1. The adjusted R2 of the model is 59% and the p-value is 0%.

[57] The OAG argued that there was a clear level change at 2020Q2 and inserted a scalar in its alternate model. The OAG also excluded data points at 2018Q1 and 2020Q3 as outliers. The OAG's fitted trend was 0%, and it argued there was no discernible trend, past or future.

[58] The Panel accepts the Applicant's justification and analysis as reasonably reflecting the evolving book of business for Sonnet and accepts the Applicant's trend selections.

G. Premium Trend – Collision

[59] As with the previous analysis, there are many factors which impact Collision premiums. One of the more material factors is when a policyholder upgrades a vehicle, which results in a premium increase. A change to deductible also has a significant impact on premium.

[60] Sonnet's premium trend model is based on data from 2018Q1 to 2022Q4, with no scalars. The trend is -6.6% with an adjusted R2 value that is positive but a p-value that is 0%. indicate the model is a good fit, both for the trend and the scalar. For future trend, Sonnet uses the CLEAR drift and it provides a trend of +1.0%.

[61] The OAG utilized the same data set but argued that there is a scalar appropriately placed at 2020Q2. As a result, it argues that the model produced a trend of -1.7%. While the adjusted R2 value indicates a good fit, the p-value is very high. Whereas there is no statistically significant trend, the OAG argued that the 0% premium trend is the reasonable alternative.

[62] In considering the alternatives, the Panel recognized the statistics for the Applicant's model were relatively strong but was concerned that there was a degree of overfitting in the OAG's model. In all of the circumstances, the Panel determined that the Applicant's modeling is reasonable and acceptable.

H. Premium Trend – Comprehensive

[63] For the Comprehensive coverage premium trend model, the Applicant considered a data period of 2018Q1 to 2022Q4 with no scalar. Suggesting a trend of -3.0, the adjusted R2 value of the model is poor, while the p-value indicates a good fit.

[64] The OAG adopted the same data period but added a scalar at 2020Q1 on the basis of an apparent level change. The resulting fitted trend of -0.5% is not statistically significant, implying there is no discernable trend. The OAG therefore suggests that a 0% trend is a reasonable alternative.

[65] The Panel considered both models presented and determined that neither one produced significant, compelling results. As a result, the Applicant is ordered to modify the Filing to adopt a 0% premium trend for this coverage.

I. Profit Provision – Target ROE

[66] Sonnet adopted a target 11.93% after-tax target ROE for the purpose of its Filing. The CAI argued that this assumption leads to unreasonable rate indications. The CAI's argument noted that insurers in other provinces are not receiving that level of return.

[67] There was no evidence before the Panel that challenged the reasonableness of a 11.93% target after-tax ROE. While other regulators may arrive at a different conclusion in the specific circumstances of their jurisdictions, this Panel is satisfied that a target after-tax target ROE of 11.93% is reasonable in the circumstances. The Panel also notes that based on the proposed rate changes in the Filing, the implied ROE is -1.09%.

[68] The Panel reiterates that there is no benchmark for the target ROE in New Brunswick, and each application is assessed individually on a case-by-case basis after considering all of the surrounding circumstances.

J. *High Theft Vehicle rating variable*

[69] The Applicant proposes to add a number of new rating variables to its analysis. Unfortunately, Sonnet continues to conduct classification analysis based on one-way loss-cost method, which fails to consider

distributional bias or the interactions between the various rating explanatory variables. The Panel expected that an insurer of the size of Sonnet would have a more sophisticated classification model in place.

[70] One new differential not previously considered by the Board is a variable intended to reflect the impact of certain vehicles which have been identified as high theft vehicles across the country. While the CLEAR Table has often been used to reflect the difference between various automobile models, particularly for repair costs, the Applicant is of the view that the CLEAR table is not reactive enough. Certain vehicles are more often targeted for theft, impacting about 5% of policyholders if the differential is accepted.

[71] The Applicant's modeling is based on Canada wide data, not specific to New Brunswick or even the Atlantic Provinces. The Panel was not persuaded that the experience in New Brunswick is sufficiently directly comparable to the experience elsewhere in Canada. In the absence of sufficient evidence and rationale to support the differential in New Brunswick, the variable is not accepted for this Filing. The Panel also notes that the methodology is not adequately explained in the Filing. If a future request is made for such a rating variable to be adopted, a more detailed description of the data, model and assumptions, interpretation of the results, as well as applicability in the jurisdiction should be provided for consideration. The Applicant must remove that rating variable from the Filing.

4. Decision

[72] For the reasons set out above, the Panel finds that Applicant's Filing is not just and reasonable in its entirety and the Applicant is ordered to amend its Filing as follows:

1. *For Third Party Liability,*
    a. *Modify the past frequency trend to -6.3% per annum; and*
    b. *Modify the future frequency trend to 0% per annum.*
2. *For Comprehensive.*
    a. *Maintain the past frequency trend at -5.6% per annum; and*
    b. *Modify the future frequency trend to 0% per annum.*
3. *For Comprehensive,*

a. Modify the past and future premium trend to 0% per annum.

4. Exclude the High Theft Vehicle rating variable.

[73] In addition, the Applicant is to modify the Comprehensive and Specified Perils coverages rate changes from +43.0% to +41.18% uncapped, resulting in an overall average rate change of +22.2% (before capping) and +21.08% (after capping).

[74] The approved rates will be effective on April 21, 2024, for new business and June 5, 2024, for renewal business.

Dated at Saint John, New Brunswick, on March 28, 2024.

Ms. Marie-Claude Doucet, Chair

New Brunswick Insurance Board

WE CONCUR:

Ms. Francine Kanhai, Board Member

Ms. Heather Stephen, Board Member