



New Brunswick
INSURANCE
Board

ANNUAL REPORT
2011

March 1, 2012

The Honourable Marie-Claude Blais, Q.C.
Minister of Justice and Consumer Affairs
Province of New Brunswick
PO Box 6000
Fredericton, NB
E3B 5H1

Dear Minister:

On behalf of the Members of the New Brunswick Insurance Board and in compliance with Section 19.9 of the *Insurance Act*, I am pleased to submit our annual report for the 2011 calendar year. The report contains an overview of our activities for the year as well as our audited financial statements for the 2010-2011 fiscal year ending March 31, 2011.

Respectfully submitted,



Paul D'Astous
Chairman & CEO
New Brunswick Insurance Board

Table of Contents

Letter to the Minister	1
Message from the Chair	4
The Board	5
Members	5
Mission	5
Board Governance	6
Accountability	6
New Brunswick Market	6
Rate Making	6
IAO Actuarial Consulting Services	7
Facility Association	7
Winter Tires	8
Territories	8
Annual Rate Application Filings	9
Filing Guidelines	11
Board Education	12
Canadian Auto Insurance Rate Regulator Association	12
Teens Against Drinking and Driving	12
Appendix A	
Summary of 2011 Rate Reviews.....	13
Appendix B	
2010-2011 Fiscal Year Audited Financial Statements (to March 31, 2011).....	26



Message from the Chair



This year, as we present our 7th annual report, the New Brunswick auto insurance market continues to be characterized by gradual declines in average rates and overall market stability and availability. New Brunswick consumers continue to benefit from the reforms launched during the insurance crisis of 2003-2004 and are still enjoying some of the lowest auto insurance rates in the entire country.

At year end, filings for the industry indicated that an overall approximate rate reduction of -3.00% for private passenger automobiles, in the regular market, would be implemented. After reviews were completed, the reduction resulted in an average proposed premium for 2012 of approximately \$720. This shows that the New Brunswick private passenger automobile market is very competitive. It also illustrates the gradual decline of market pricing over the last four years, from a premium of \$754 in 2009 to \$720 in 2012. This will be the 8th consecutive year that has resulted in an average rate reduction in New Brunswick.

The New Brunswick Insurance Board is committed to providing value to its stakeholders through its rate review process. Furthermore, the Board is committed to providing transparency in its decision making process and we have increased the level of detail provided in our decisions in response to feedback from the Court of Appeal decisions rendered in 2010 and 2011.

The auto insurance industry continues to evolve and the regulatory response to this evolution must change to meet this challenge. The Board has an active education program to keep its members apprised of changes to ratemaking processes by industry to ensure that consumers are adequately protected in the rates that they pay.

The Board continues to play a leadership role in the Canadian regulatory environment specifically with the Canadian Auto Insurance Rate Regulators (CARR) Association. At the 2011 CARR annual meeting, I was re-elected Chair of the association and Kevin Duff, our Executive Director, was re-elected Secretary Treasurer. Through CARR we are dedicated to fostering relationships for the transfer of best practices between jurisdictions. CARR has also implemented a research component that is exploring aspects of the auto insurance rate development process on a cross-jurisdictional basis in order to provide a greater understanding of this complex issue to all member jurisdictions.

The New Brunswick Insurance Board remains a major partner with Teens Against Drinking and Driving (TADD). To date, through the TADD Annual Golf Classic, more than \$169,000 has been contributed to TADD for their projects. Although much of the direct work with TADD has been transferred to the TADD Foundation, the Board will remain a major supporter of this worthwhile organization.

In closing, I want to commend our dedicated Board members and staff for their hard work. Their unconditional commitment to achieving our mission and objectives goes beyond their job description.



Paul D'Astous
Chairman & CEO



The Board

The New Brunswick Insurance Board (NBIB or the Board) is a quasi-judicial administrative tribunal established by the Government of New Brunswick in 2004 as the regulatory agency with the 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.

In addition to the CEO, Paul D'Astous, the Board employs seven employees.

Members

The New Brunswick Insurance Board is comprised of the following ten members:



Paul D'Astous
Chair



Vince Duff
Vice-Chair



Ferne Ashford



Gerard Hall



Maurice Harquail



Francine Kanhai



Al Kavanaugh



Georges Leger



D. Troy Sweet



Matthew Tweedie

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

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 Chairperson 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.

Individual member panels meet regularly to review various rate filings. The full Board convenes regularly for training, market updates and for conferences.

Accountability

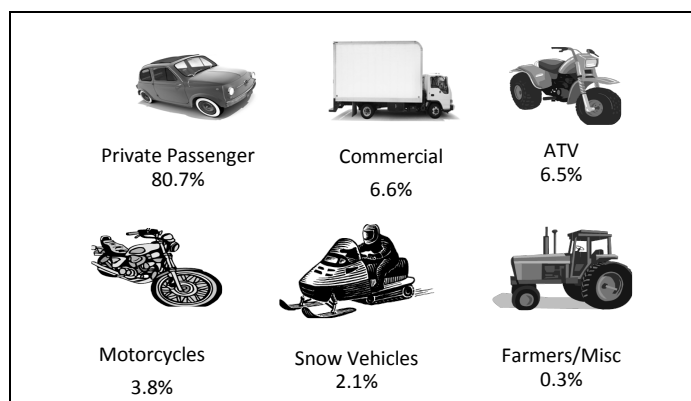
By legislation, the NBIB is obligated to annually report its previous year's activities to the Minister of Justice by March 1. This report highlights activities and accomplishments during the 2011 calendar year. The Board also appears before the Standing Committee on Crown Corporations when requested to report on its activities. The Board made its appearance on February 11, 2011 to report on the 2009 report.

As legislated by the *Insurance Act*, the operating costs of the NBIB are charged back to the insurance industry through annual assessments.

As required by the Court of Appeal, the Board re-heard 2009 rate filings for The Dominion of Canada General Insurance Company and Pembridge Insurance Company. These decisions were published and are available on the Board's website.

New Brunswick Market

Based on General Insurance Statistical Agency (GISA) data, the breakdown of the New Brunswick automobile insurance market in 2010, the most recent year for which data is available, is as follows:



*Source GISA 2010 Earned Exposures AU10-D and AU11-D

Rate Making

Rates are used to determine a premium, which is how much an individual driver will pay for insurance coverage. Factors include: the driving record of the insured, the Canadian Loss Experience Automobile Rating (CLEAR) of vehicle (which includes age, value and type of vehicle), the use of the vehicle, the number of kilometers driven, and the territory the driver resides in.

Regulation prohibits rating based on age, gender and marital status.



IAO Actuarial Consulting Services Inc.

IAO Actuarial Consulting Services Inc. (IAO) is an advisory organization that develops automobile insurance rates for the insurance industry. As such, IAO does not write any insurance business, 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 may adopt the approved IAO rates for their own use. Typically, these smaller companies do not have enough data to develop rates using their own experience as per the Board's filing guidelines.

IAO filed for an average rate change of -13.78%. This rate application was reviewed and the rates were released for use.

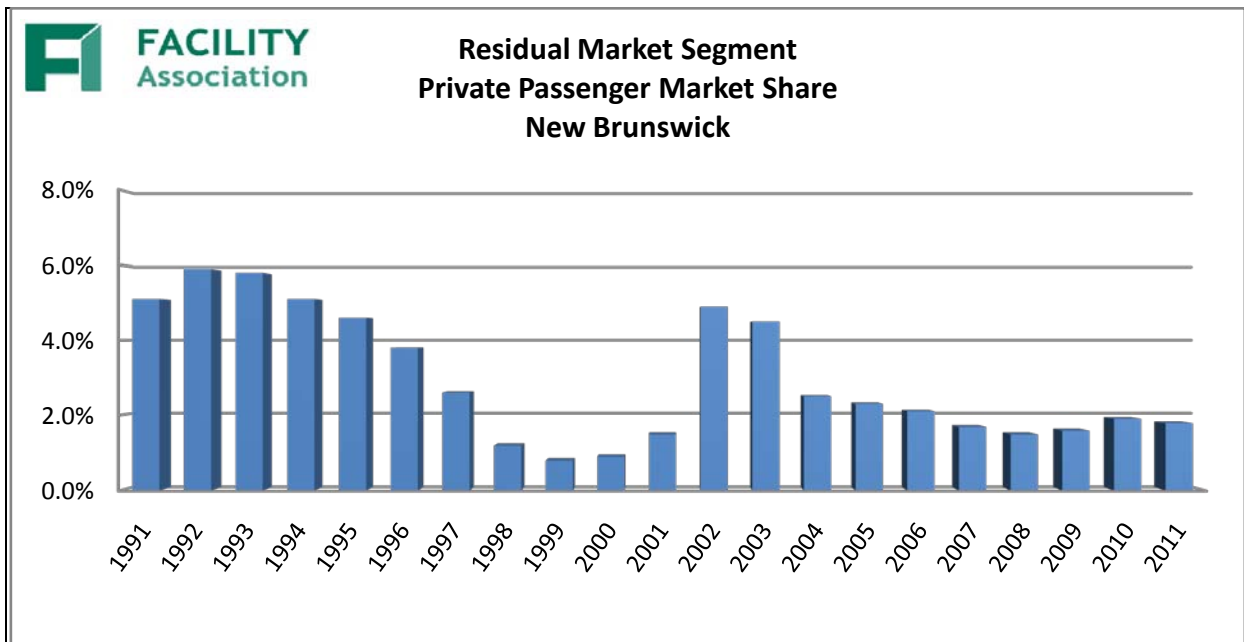
Facility Association

Facility Association (FA) is an association of all automobile insurance providers operating in New Brunswick. FA's mandate is to ensure the availability of auto insurance to all owners and operators of motor vehicles who would otherwise have difficulty in obtaining insurance. It is sometimes referred to as the "insurer of last resort".

FA appeared before the Board at a public hearing on June 7, 2011 to present its application for proposed 2011 - 2012 rates for private passenger vehicles. This decision 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 1.8% of the market on a vehicle basis. By Canadian standards, a residual market at 2.0% or less is considered to be an indicator of a very healthy overall insurance market.

**New Brunswick PPV Market Share
1991 to 2011**



*Source: 2011 FARM raw data; 2010 industry data (Market Share calculated based on written vehicle counts) December 2011

Winter Tires

Winter tire usage is often cited as a key factor in reducing accidents caused by winter weather. According to a 2010 winter tire usage report by the Rubber Association of Canada, New Brunswick has the second highest usage of winter tires in Canada. New Brunswick winter tire usage is 60% which is high compared to the national average of just 48%. Over 50% of motorists in Atlantic Canada have always used winter tires. Some New Brunswick insurers offer a discount for policyholders who use winter tires. Use of winter tires can also improve NB claims experience, which can lead to lower rates for all drivers.

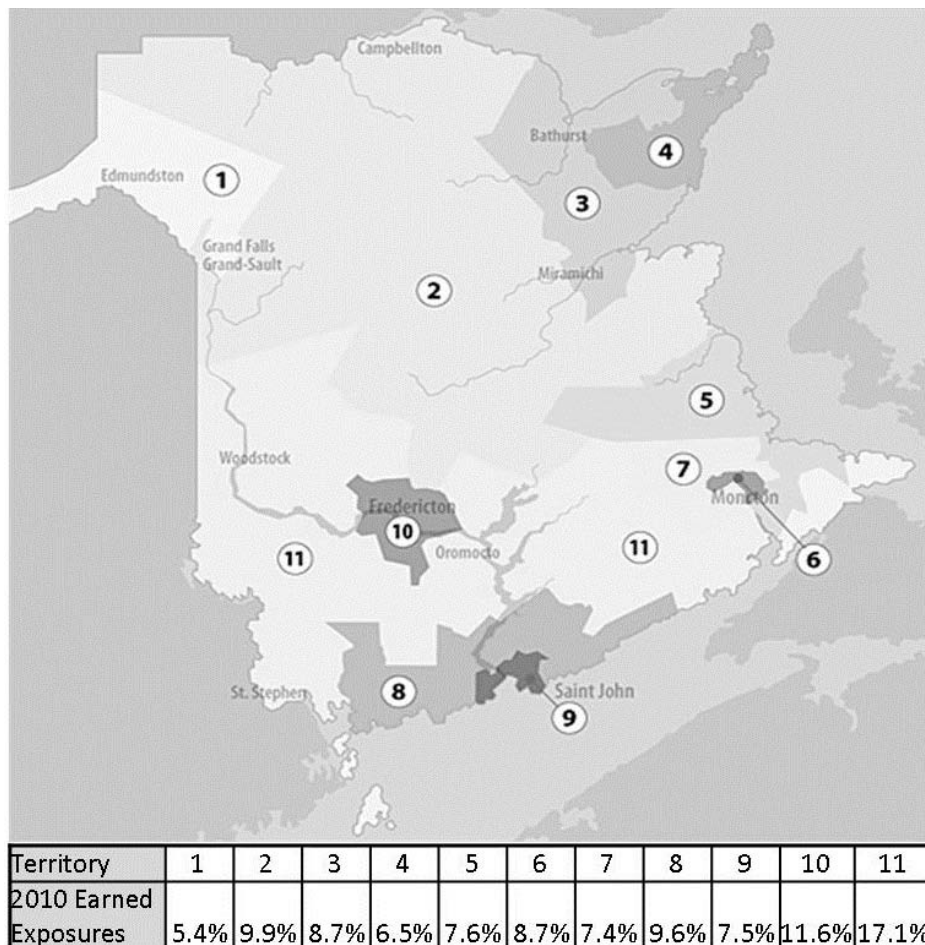
The data was compiled by examining the tire industry's winter tire shipments by province over the past five years as measured against vehicle registrations.

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 FSA's by territory is available on the Board's website.

Based on GISA 2010 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 NB (1-4) represent 30.5% of vehicle exposures. The seven territories (5-11) within southern New Brunswick represent 69.5% of vehicle exposures.



Annual Rate Application Filings

Every insurer shall file with the Board the rates it proposes to charge for automobile insurance at least once every 12 months from the date of the last filing (*Insurance Act* section 267.2(1)).

An insurer shall appear before the Board where an insurer:

- a) files rates more than twice in a period of 12 months, or
- b) files rates where the average rate increase is more than 3% greater than the rates charged by it in the 12 months before the date on which it proposes to begin to charge the rates (section 267.51(1)).

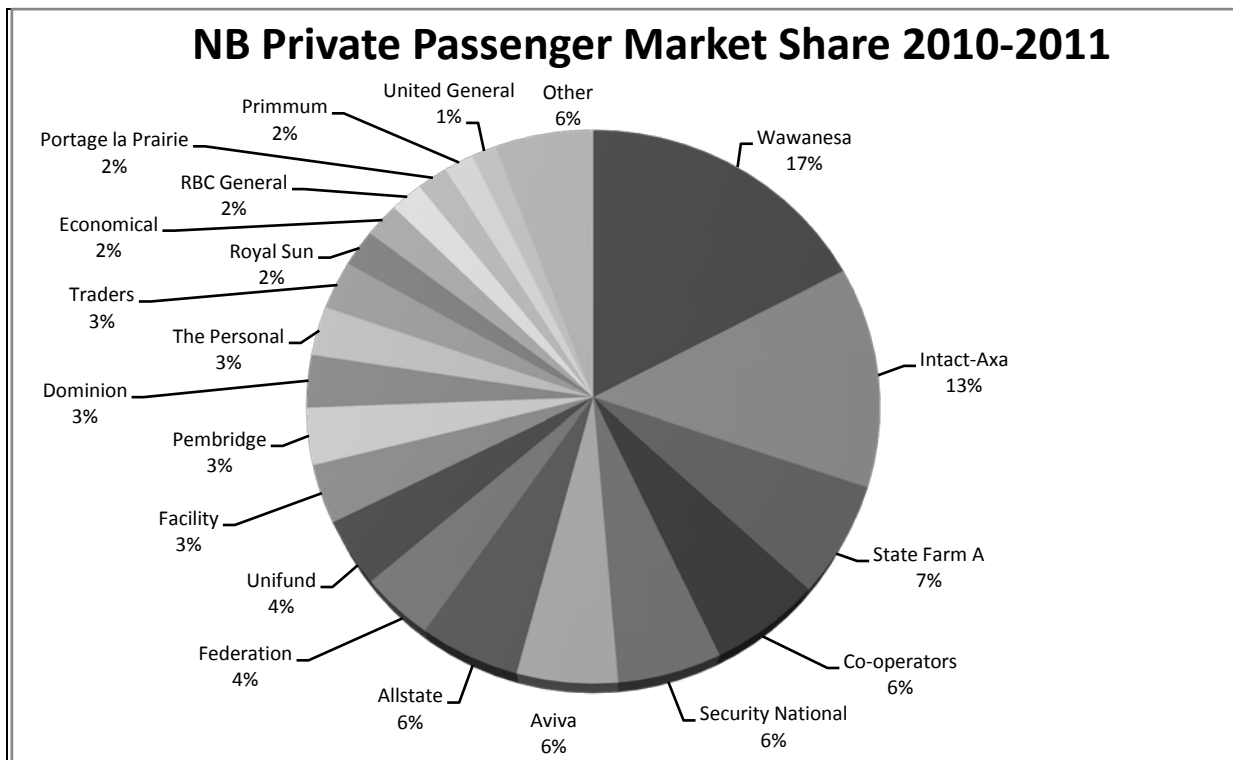
In 2011 the Board received applications from industry, Facility Association and IAO Actuarial Consulting Services Inc. for private passenger vehicles and various types of commercial, interurban and miscellaneous vehicles.

The Board reviewed a total of 486 filings in 2011 which included:

- 50 for private passenger rate filings
- 27 for commercial vehicle rate filings
- 22 for interurban vehicle rate filings
- 313 for miscellaneous vehicle rate filings including, motorcycles, ATVs, snowmobiles, buses, taxis etc.
- 74 for other filings including: updating the rate group tables, proposed changes to endorsements, and proposed changes to rating rules.

Private Passenger Vehicles

There are 51 insurance companies within the private passenger market in New Brunswick. Based on the information contained within the 2011 rate filings submitted to the NBIB, the standard market share breaks down as follows:

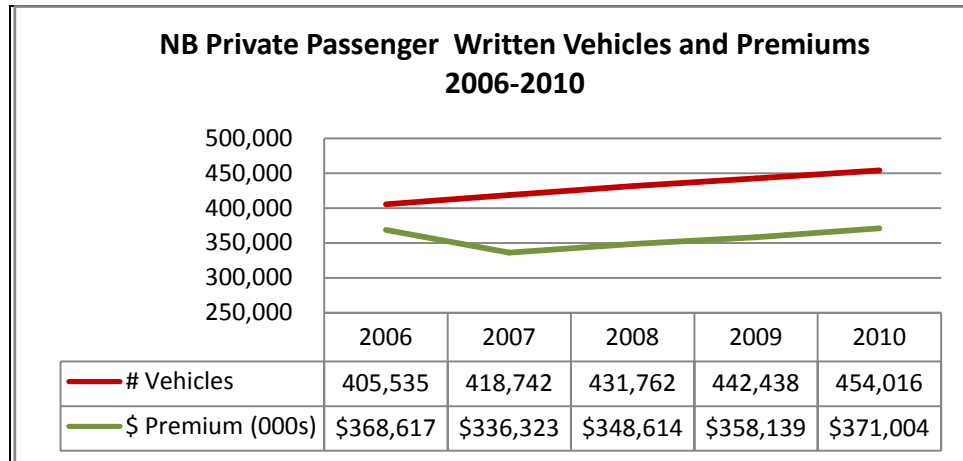


Insurance companies writing business in the standard market were required to file their proposed private passenger rates for 2012 by September 15, 2011. Due to delays with some of the GISA reports that insurers require to complete the NBIB annual filing for September 15th, the Board allowed for a simplified filing to be

made pending release of the GISA data. The data was released September 23rd and insurers were required to file with the updated data within 45 days of release.

The NBIB rendered 48 decisions on companies writing private passenger automobile insurance. For those writing standard risk automobile insurance in the province, the overall average rate reduction for 2012 will be approximately -3.00%, bringing the average rate to approximately \$720. These rates will become effective beginning in the first quarter of 2012. The approved rate changes, by company, may be viewed on the NBIB website.

In reviewing the data from GISA, over the past five years the number of vehicles in NB has been steadily increasing in contrast to the initial sharp decrease and subsequent slow increase of total premium dollars over the same period. The graph below helps illustrate this information.

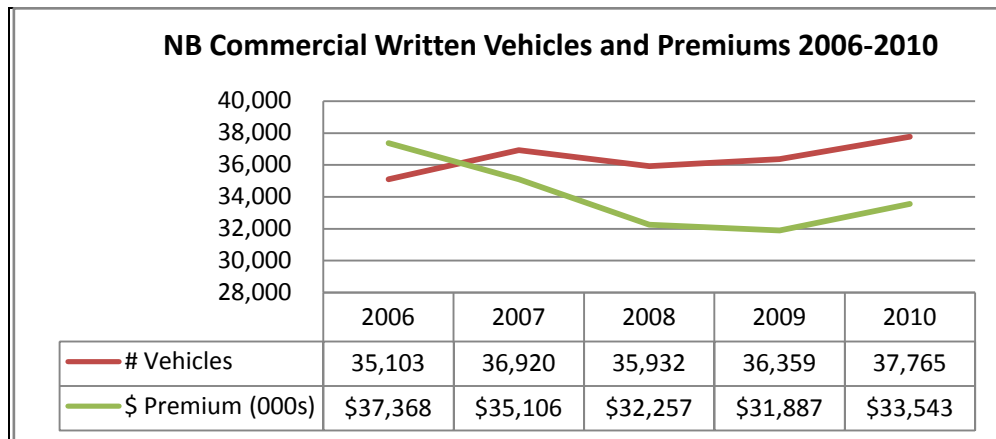


*Source GISA AU10-D

Since 2006, the total number of private passenger vehicles within New Brunswick has increased by 12%. In contrast the total premium collected has only increased by less than 1%.

Commercial and Miscellaneous Vehicles

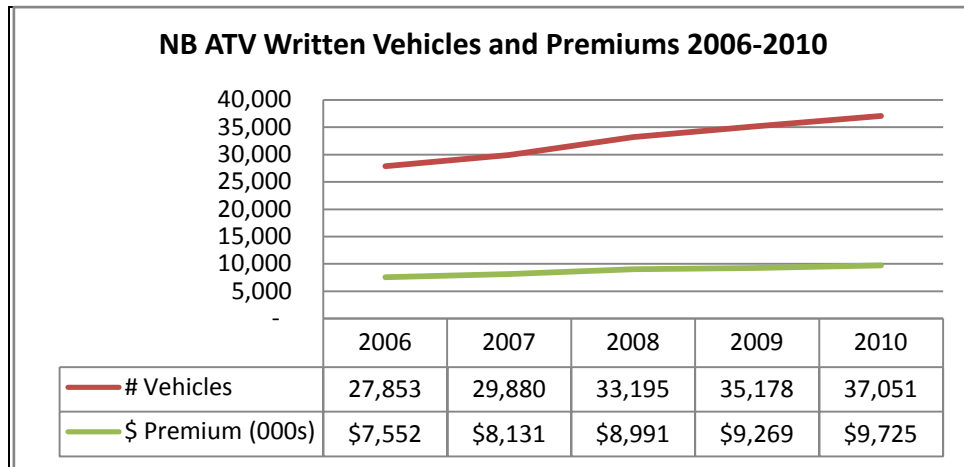
Since 2006, the number of Commercial vehicles in New Brunswick has increased by 8%. In contrast, the total premium collected has decreased by -10%.



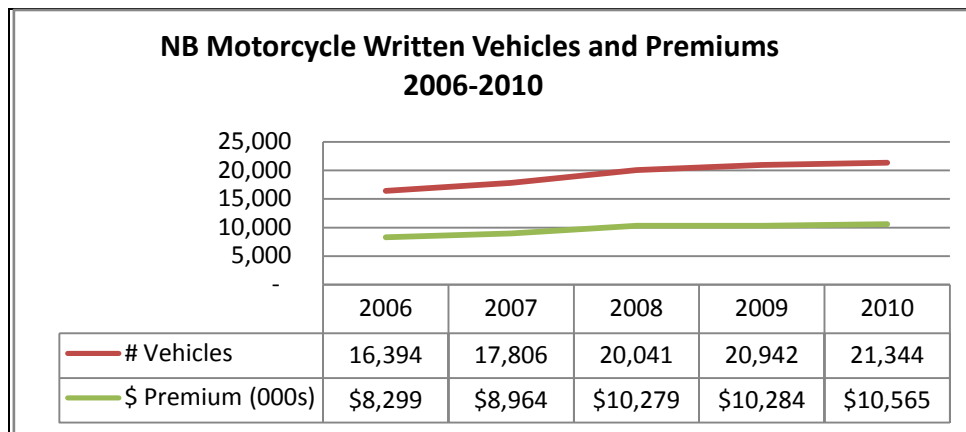
*Source GISA AU10-D



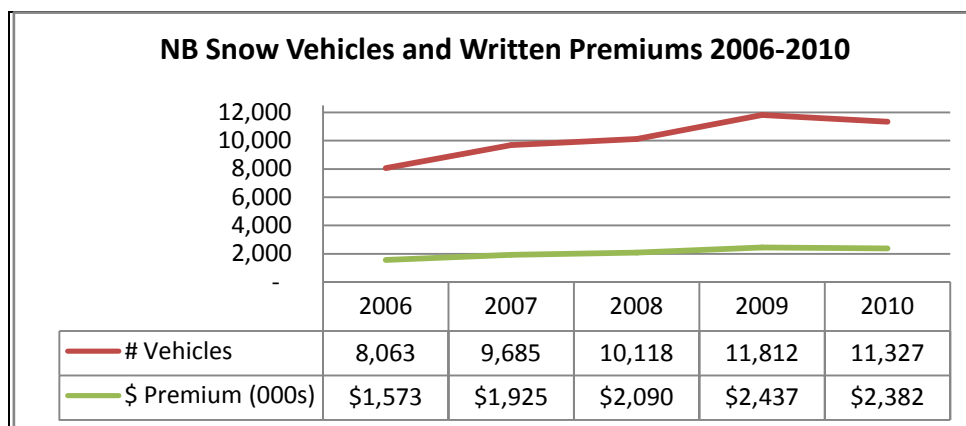
As shown below, other types of miscellaneous vehicles are a much smaller portion of the market but have shown similar performance.



*Source GISA AU10-D



*Source GISA AU10-D



*Source GISA AU11-D

Filing Guidelines

The NBIB released revised filing guidelines for 2012 in September 2011. These 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.

Board Education

Education of both Board members and staff continues to be a priority. The automobile insurance environment is complex and has undergone change at a rapid pace; therefore, it is important that everyone involved in the rate review process be fully aware of the factors influencing the industry and how those factors impact the rate applications before the Board.

There continues to be a focus on training. The NBIB has always undertaken a regimen of regular training programs in-house and has also called upon experts in the field to provide further training. This function continues to focus on what members and staff need to do their jobs better.

The Board also utilizes the benefit of membership in the Canadian Auto Insurance Rate Regulators (CARR) Association to share best regulatory practices from across Canada and to bring regulators in contact with experts in the automobile insurance industry at a national level.

The Board also actively participates in Canadian Council of Administrative Tribunal (CCAT). CCAT provides the Board with access to the latest thinking in the world of administrative tribunal governance and procedure as well as recent developments in the law.

Canadian Auto Insurance Rate Regulator Association

The Financial Services Commission of Ontario was host to the fifth annual Canadian Auto Insurance Rate Regulators (CARR) Association conference in Toronto, ON, October 16-19, 2011.

The inaugural event was hosted by the NBIB in 2007 during which an initiative to begin the process to form a national association for automobile rate regulators was put forth. The NBIB played a major role in the development of that organization; as a result, the CARR Association was formed and constituted during the 2008 conference.

The Association's mission is to provide a forum where members can share best practices, identify key issues and learn through educational opportunities so that they are better informed and able to fulfill their jurisdictional mandates.

The following re-appointments were made to the CARR Association's Executive Committee: Chair, Paul D'Astous (Chairman & CEO, New Brunswick Insurance Board); Vice-Chair, Allison MacEwen (Island Regulatory & Appeal Commission); Secretary/Treasurer, Kevin Duff (Executive Director/Secretary of the Board, New Brunswick Insurance Board), and five other representatives from across Canada.

One of the major goals of CARR is to initiate research into topics of national interest. Through CARR, forms used by different jurisdictions have been harmonized. This standardization reduces the administrative complexity of the existing forms. Board staff took a lead role in this project. Board staff were also involved with developing a national training session for CARR members. CARR was also involved with the GISA Data Rationalization project. Additional research projects are currently underway and should bear fruit in 2012 and 2013.

Teens Against Drinking And Driving

The NBIB began supporting TADD in 2006 and has since raised over \$169,000 for the organization through its Annual TADD Charity Golf Classic. The fifth annual event was held on September 7, 2011 at the Sussex Golf and Curling Club. The Board has provided additional administrative support to TADD and the TADD Foundation during the last 5 years and is working with these groups to grow TADD participation around NB.





New Brunswick
INSURANCE
Board

APPENDIX A
Summary of 2011 Rate Decisions

Insurance Company Name	Filing Class	Change	Date Of Filing	
Allstate Insurance Company of Canada	Private Passenger	-2.02%	15/09/2011	
	ATV	0.00%	26/08/2011	
	Camper Trailers	0.00%	28/04/2011	
	Motorcycles	0.00%	19/01/2011	
	Motorhomes	0.00%	28/04/2011	
	Snow Vehicles	0.00%	26/08/2011	
Arch Insurance Company	Private Passenger	-0.37%	28/02/2011	
	Interurban	-5.98%	19/08/2011	
	Ambulances	-2.23%	19/08/2011	
	ATV	-5.52%	19/08/2011	
	Private Buses	-12.51%	19/08/2011	
	Public Buses	-12.51%	19/08/2011	
	School Buses	-12.51%	19/08/2011	
	Snow Vehicles	-3.49%	19/08/2011	
	Taxis	-1.97%	19/08/2011	
Aviva Insurance Company of Canada	Private Passenger	0.04%	15/09/2011	
	Commercial	0.00%	28/04/2011	
	Interurban	0.00%	28/04/2011	
	Ambulances	0.00%	18/10/2011	
	ATV	0.00%	24/06/2011	
	Camper Trailers	0.00%	24/06/2011	
	Motorcycles	0.00%	24/06/2011	
	Motorhomes	0.00%	24/06/2011	
	Private Buses	0.00%	18/10/2011	
	Public Buses	0.00%	18/10/2011	
	School Buses	0.00%	18/10/2011	
		Snow Vehicles	0.00%	24/06/2011
		Taxis	0.00%	18/10/2011
Axa Insurance (Canada)	Commercial	0.00%	05/08/2011	
	ATV	0.00%	09/08/2011	
	Camper Trailers	0.00%	09/08/2011	
	Motorcycles	0.00%	09/08/2011	
	Motorhomes	0.00%	09/08/2011	
	Snow Vehicles	0.00%	09/08/2011	
CAA Insurance Company (Ontario)	Private Passenger	-0.02%	15/09/2011	
	Camper Trailers	0.00%	16/08/2011	
	Motorhomes	0.00%	16/08/2011	
Co-operators General Insurance Company	Private Passenger	-12.20%	04/11/2011	
	Commercial	-4.16%	08/04/2011	
	Interurban	-6.93%	08/04/2011	
	Antique Vehicles	0.00%	08/04/2011	
	ATV	0.00%	15/07/2011	



	Camper Trailers	0.00%	15/07/2011
	Motorcycles	-2.14%	15/07/2011
	Motorhomes	0.00%	15/07/2011
	Private Buses	-1.82%	08/04/2011
	School Buses	0.00%	08/04/2011
	Snow Vehicles	0.00%	08/04/2011
COSECO Insurance Company	Private Passenger	-2.74%	15/09/2011
	Private Passenger	9.89%	15/09/2010
	ATV	0.00%	16/05/2011
	Camper Trailers	0.00%	16/05/2011
	Mopeds	0.00%	16/05/2011
	Motorcycles	0.00%	16/05/2011
	Motorhomes	0.00%	16/05/2011
	Snow Vehicles	0.00%	16/05/2011
CUMIS General Insurance Company	Private Passenger	-1.52%	15/09/2011
	ATV	0.00%	17/05/2011
	Camper Trailers	0.00%	17/05/2011
	Mopeds	0.00%	17/05/2011
	Motorcycles	0.00%	17/05/2011
	Motorhomes	0.00%	17/05/2011
	Snow Vehicles	0.00%	17/05/2011
Echelon General Insurance Company	Private Passenger	0.00%	15/09/2011
Economical Mutual Insurance Company	Private Passenger	-2.93%	15/09/2011
	Commercial	-7.31%	25/04/2011
	Interurban	0.00%	27/05/2011
	Antique Vehicles	0.00%	27/05/2011
	ATV	0.00%	27/05/2011
	Camper Trailers	0.00%	27/05/2011
	Motorcycles	0.00%	27/05/2011
	Motorhomes	0.00%	27/05/2011
	Private Buses	0.00%	27/05/2011
	Snow Vehicles	0.00%	27/05/2011
Elite Insurance Company	Private Passenger	*	14/09/2011
	Antique Vehicles	0.00%	03/02/2011
	Camper Trailers	0.00%	03/02/2011
	Motorcycles	0.00%	03/02/2011
	Motorhomes	0.00%	26/01/2011
Facility Association	Private Buses	0.00%	24/05/2011
	Commercial	-7.00%	23/06/2011
	Interurban	3.80%	02/08/2011
	Ambulances	0.00%	25/05/2011
	Antique Vehicles	0.00%	27/10/2011
	ATV	8.90%	14/01/2011

	Camper Trailers	0.00%	27/10/2011
	Private Passenger	-5.60%	15/11/2010
	Funeral Carriages & Hearses	0.00%	25/05/2011
	Motorcycles	0.00%	27/10/2011
	Motorhomes	0.00%	27/10/2011
	Other Public Use	0.00%	22/05/2011
	Public Buses	5.00%	04/05/2011
	School Buses	0.00%	19/05/2011
	Snow Vehicles	8.70%	13/01/2011
	Taxis	*	23/06/2011
Federated Insurance Company of Canada	Private Passenger	-0.94%	15/09/2011
	Commercial	2.92%	14/03/2011
	Interurban	0.00%	18/03/2011
	Antique Vehicles	0.00%	08/11/2011
	ATV	0.00%	29/11/2011
	Camper Trailers	0.00%	29/11/2011
	Motorcycles	-17.52%	29/11/2011
	Motorhomes	112.50%	29/11/2011
	Snow Vehicles	2.93%	29/11/2011
Federation Insurance Company of Canada	Private Passenger	-7.00%	15/09/2011
	Commercial	-8.90%	25/04/2011
	Interurban	0.00%	27/05/2011
	Antique Vehicles	0.00%	27/05/2011
	ATV	0.00%	27/05/2011
	Camper Trailers	0.00%	27/05/2011
	Motorcycles	0.00%	27/05/2011
	Motorhomes	0.00%	27/05/2011
	Snow Vehicles	0.00%	27/05/2011
IAO Actuarial Consulting Services Inc.	Private Passenger	-13.78%	02/11/2011
	Commercial	-13.03%	13/01/2011
	Interurban	-5.98%	13/01/2011
	Ambulances	-2.23%	20/01/2011
	ATV	-5.52%	20/01/2011
	Motorcycles	-4.14%	20/01/2011
	Motorhomes	-71.69%	20/01/2011
	Private Buses	-12.51%	20/01/2011
	Public Buses	-12.51%	20/01/2011
	School Buses	-12.51%	20/01/2011
	Snow Vehicles	-3.49%	20/01/2011
	Taxis	-1.97%	20/01/2011
Insurance Company of Prince Edward Island	Private Passenger	2.82%	15/09/2011
	Commercial	0.00%	26/04/2011
	Interurban	0.00%	26/04/2011



	Antique Vehicles	0.00%	01/03/2011
	ATV	-15.76%	01/03/2011
	Camper Trailers	0.00%	01/03/2011
	Motorcycles	-10.91%	28/02/2011
	Motorhomes	0.00%	01/03/2011
	Snow Vehicles	-7.85%	01/03/2011
Intact Insurance Company	Private Passenger	*	15/09/2011
	Commercial	0.00%	30/06/2011
	Interurban	-5.98%	19/08/2011
	Ambulances	-2.23%	19/08/2011
	Antique Vehicles	0.00%	14/04/2011
	ATV	0.00%	14/04/2011
	ATV	0.00%	03/10/2011
	Camper Trailers	0.00%	14/04/2011
	Camper Trailers	0.09%	03/10/2011
	Motorcycles	0.00%	14/04/2011
	Motorcycles	0.06%	03/10/2011
	Motorhomes	0.00%	14/04/2011
	Private Buses	0.00%	19/08/2011
	Public Buses	0.00%	19/08/2011
	School Buses	0.00%	19/08/2011
	Snow Vehicles	0.00%	14/04/2011
	Snow Vehicles	-0.25%	03/10/2011
	Taxis	-1.97%	19/08/2011
Jevco Insurance Company	Interurban	2.90%	08/08/2011
Liberty Mutual Insurance Company	Private Passenger	0.00%	28/06/2011
	Commercial	0.00%	27/07/2011
	Interurban	0.00%	27/07/2011
	Ambulances	0.00%	27/07/2011
	ATV	0.00%	27/07/2011
	Motorcycles	0.00%	27/07/2011
	Motorhomes	0.00%	27/07/2011
	Private Buses	0.00%	27/07/2011
	Public Buses	0.00%	27/07/2011
	School Buses	0.00%	27/07/2011
	Snow Vehicles	0.00%	27/07/2011
	Taxis	0.00%	27/07/2011
Lombard General Insurance Company of Canada	Private Passenger	-3.58%	04/03/2011
	Commercial	0.00%	17/06/2011
	Interurban	0.00%	21/06/2011
	Ambulances	0.00%	08/08/2011
	Antique Vehicles	0.00%	17/08/2011
	ATV	10.69%	17/08/2011

	Camper Trailers	0.00%	20/09/2011
	Antique Vehicles	0.00%	17/08/2011
	ATV	10.69%	17/08/2011
	Camper Trailers	0.00%	20/09/2011
	Motorcycles	0.00%	17/08/2011
	Motorhomes	0.00%	17/08/2011
	Private Buses	-19.71%	08/08/2011
	Public Buses	0.00%	08/08/2011
	School Buses	0.00%	08/08/2011
	Snow Vehicles	0.00%	17/08/2011
	Taxis	0.00%	29/04/2011
Lombard Insurance Company	Private Passenger	1.10%	04/03/2011
	Commercial	0.00%	17/06/2011
	Interurban	0.00%	21/06/2011
	Ambulances	0.00%	08/08/2011
	Antique Vehicles	0.00%	17/08/2011
	ATV	18.69%	17/08/2011
	Camper Trailers	0.00%	20/09/2011
	Motorcycles	-23.88%	17/08/2011
	Motorhomes	0.00%	17/08/2011
	Private Buses	0.00%	08/08/2011
	Public Buses	0.00%	08/08/2011
	School Buses	0.00%	08/08/2011
	Snow Vehicles	0.00%	17/08/2011
	Taxis	0.00%	29/04/2011
Markel Insurance Company of Canada	Commercial	7.89%	18/03/2011
	Commercial	8.25%	22/09/2011
	Interurban	16.86%	18/03/2011
Novex Insurance Company	Private Passenger	*	15/09/2011
	Antique Vehicles	0.00%	14/04/2011
	ATV	0.00%	14/04/2011
	Camper Trailers	0.00%	14/04/2011
	Motorcycles	0.00%	14/04/2011
	Motorhomes	0.00%	14/04/2011
	Snow Vehicles	0.00%	14/04/2011
Pafco Insurance Company	Private Passenger	-7.33%	15/09/2011
Pembridge Insurance Company	Private Passenger	0.00%	15/09/2011
	ATV	0.00%	26/08/2011
	Camper Trailers	0.00%	28/04/2011
	Motorcycles	0.00%	19/01/2011
	Motorhomes	0.00%	28/04/2011
	Snow Vehicles	0.00%	26/08/2011
Perth Insurance Company	Private Passenger	0.00%	15/09/2011



Primum Insurance Company	Private Passenger	-6.55%	15/09/2011
	ATV	0.00%	19/07/2011
	Motorcycles	0.00%	19/07/2011
	Snow Vehicles	0.00%	19/07/2011
	Trailers Other	0.00%	19/07/2011
Promutuel des Riverains	Private Passenger	-4.05%	15/02/2011
	Commercial	-4.15%	29/04/2011
	ATV	-17.75%	29/04/2011
	Camper Trailers	0.00%	29/04/2011
	Motorcycles	-27.13%	28/01/2011
	Motorhomes	0.00%	29/04/2011
	Snow Vehicles	32.91%	29/04/2011
Promutuel Gaspésie-les Îles	Private Passenger	-3.39%	15/02/2011
	Commercial	-7.06%	29/04/2011
	ATV	-18.00%	29/04/2011
	Camper Trailers	0.00%	29/04/2011
	Motorcycles	-25.92%	28/01/2011
	Motorhomes	0.00%	29/04/2011
	Snow Vehicles	37.31%	29/04/2011
RBC General Insurance Company	Private Passenger	-5.30%	15/09/2011
	ATV	0.00%	28/04/2011
	Camper Units	0.00%	28/04/2011
	Motorcycles	0.00%	28/04/2011
	Motorhomes	0.00%	28/04/2011
	Snow Vehicles	0.00%	28/04/2011
RBC Insurance Company	Private Passenger	-5.30%	15/09/2011
	ATV	0.00%	28/04/2011
	Camper Units	0.00%	28/04/2011
	Motorcycles	0.00%	28/04/2011
	Motorhomes	0.00%	28/04/2011
	Snow Vehicles	0.00%	28/04/2011
Royal and Sun Alliance Insurance Company of Canada	Private Passenger	-4.20%	15/09/2011
	Commercial	-2.57%	17/03/2011
	Interurban	0.00%	15/03/2011
	Antique Vehicles	0.00%	01/04/2011
	ATV	0.00%	01/04/2011
	Camper Units	0.00%	01/04/2011
	Motorcycles	0.00%	01/04/2011
	Motorhomes	0.00%	01/04/2011
	Snow Vehicles	0.00%	01/04/2011
Scottish & York Insurance Company Limited	Private Passenger	0.04%	15/09/2011
	Misc. All	0.00%	24/06/2011
Security National Insurance Company	Private Passenger	-6.61%	15/09/2011

	ATV	0.00%	19/07/2011
	Motorcycles	0.00%	19/07/2011
	Snow Vehicles	0.00%	19/07/2011
	Trailers Other	0.00%	19/07/2011
State Farm Mutual Automobile Insurance Company Plan A	Private Passenger	-3.00%	15/09/2011
	Commercial	0.00%	29/04/2011
	Interurban	0.00%	13/05/2011
	Antique Vehicles	2.60%	13/05/2011
	ATV	0.10%	13/05/2011
	Camper Trailers	2.90%	13/05/2011
	Motorcycles	2.90%	13/05/2011
	Motorhomes	2.90%	13/05/2011
	Other Personal Use	0.10%	13/05/2011
	School Buses	0.00%	13/05/2011
	Snow Vehicles	-2.80%	13/05/2011
State Farm Mutual Automobile Insurance Company Plan B	Private Passenger	-2.60%	15/09/2011
	Commercial	0.00%	29/04/2011
	Interurban	0.00%	13/05/2011
	Antique Vehicles	2.40%	13/05/2011
	ATV	0.40%	13/05/2011
	Camper Trailers	2.20%	13/05/2011
	Motorcycles	2.40%	13/05/2011
	Motorhomes	2.80%	13/05/2011
	Other Personal Use	0.40%	13/05/2011
	Snow Vehicles	-4.00%	13/05/2011
TD Home and Auto Insurance Company	Private Passenger	-7.13%	15/09/2011
	ATV	0.00%	19/07/2011
	Motorcycles	0.00%	19/07/2011
	Snow Vehicles	0.00%	19/07/2011
	Trailers Other	0.00%	19/07/2011
The Dominion of Canada General Insurance Company	Private Passenger	-7.90%	15/11/2011
	Private Passenger	-3.30%	17/02/2010
	Private Passenger	0.00%	15/09/2011
	Commercial	-4.47%	03/09/2011
	Interurban	-7.91%	07/09/2011
	Ambulances	-1.74%	03/09/2011
	Antique Vehicles	0.00%	07/09/2011
	ATV	0.00%	01/09/2011
	Camper Trailers	0.00%	01/09/2011
	Funeral Carriages & Hearses	0.00%	07/09/2011
	Motorcycles	0.00%	01/09/2011
	Motorhomes	0.00%	07/09/2011
	Public Buses	-12.22%	03/09/2011



	Snow Vehicles	0.00%	01/09/2011
	Taxis	0.00%	03/09/2011
The Personal Insurance Company	Private Passenger	-5.00%	15/09/2011
	ATV	0.00%	20/05/2011
	Camper Trailers	0.00%	20/05/2011
	Mopeds	0.00%	20/05/2011
	Motorcycles	0.00%	20/05/2011
	Motorhomes	0.00%	20/05/2011
	Snow Vehicles	0.00%	20/05/2011
The Portage la Prairie Mutual Insurance Company	Private Passenger	0.00%	15/09/2011
	Commercial	0.00%	10/11/2011
	ATV	0.00%	29/11/2011
	Motorcycles	0.00%	29/11/2011
	Motorhomes	0.00%	29/11/2011
	Snow Vehicles	0.00%	29/11/2011
The Sovereign General Insurance Company	Private Passenger	-0.70%	15/02/2011
	Ambulances	0.00%	29/04/2011
	ATV	16.90%	29/04/2011
	Camper Units	0.00%	29/04/2011
	Motorhomes	0.00%	29/04/2011
	Other Personal Use	0.00%	29/04/2011
	Other Public Use	0.00%	29/04/2011
	Private Buses	0.00%	29/04/2011
	Public Buses	0.00%	29/04/2011
	School Buses	0.00%	29/04/2011
	Snow Vehicles	13.40%	29/04/2011
The Wawanesa Mutual Insurance Company	Private Passenger	-0.28%	15/09/2011
	Commercial	-9.73%	21/04/2011
	ATV	0.00%	15/04/2011
	Camper Trailers	0.00%	15/04/2011
	Motorcycles	0.00%	15/04/2011
	Snow Vehicles	0.00%	15/04/2011
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Private Passenger	0.00%	04/03/2011
	Commercial	0.00%	20/06/2011
	Interurban	0.00%	21/06/2011
	Ambulances	0.00%	08/08/2011
	ATV	0.00%	16/08/2011
	Camper Trailers	0.00%	16/08/2011
	Motorcycles	0.00%	16/08/2011
	Private Buses	0.00%	08/08/2011
	Public Buses	0.00%	08/08/2011
	School Buses	0.00%	08/08/2011
	Snow Vehicles	0.00%	16/08/2011

	Taxis	0.00%	29/04/2011
Traders General Insurance Company	Private Passenger	-0.48%	15/09/2011
	ATV	0.00%	16/03/2011
	Camper Trailers	0.00%	16/03/2011
	Motorcycles	0.00%	16/03/2011
	Motorhomes	0.00%	16/03/2011
	Snow Vehicles	0.00%	16/03/2011
Trafalgar Insurance Company of Canada	Private Passenger	*	15/09/2011
	Antique Vehicles	0.00%	14/04/2011
	ATV	0.00%	14/04/2011
	Camper Units	0.00%	14/04/2011
	Motorcycles	0.00%	14/04/2011
	Motorhomes	0.00%	14/04/2011
	Snow Vehicles	0.00%	14/04/2011
Unifund Assurance Company	Private Passenger	0.00%	15/09/2011
	ATV	0.00%	27/07/2011
	Camper Trailers	0.00%	27/07/2011
	Motorcycles	0.00%	27/07/2011
	Motorhomes	0.00%	27/07/2011
	Snow Vehicles	0.00%	27/07/2011
United General Insurance Corporation	Private Passenger	0.00%	15/09/2011
	Commercial	0.00%	26/04/2011
	ATV	0.00%	26/04/2011
	Motorcycles	0.00%	26/04/2011
	Snow Vehicles	0.00%	26/04/2011
Waterloo Insurance Company	Private Passenger	-2.90%	15/09/2011
	Antique Vehicles	0.00%	27/05/2011
	ATV	0.00%	27/05/2011
	Camper Trailers	0.00%	27/05/2011
	Motorcycles	0.00%	27/05/2011
	Motorhomes	0.00%	27/05/2011
	Snow Vehicles	0.00%	27/05/2011
XL Insurance Company Limited	Private Passenger	0.00%	29/08/2011
	Commercial	0.00%	29/08/2011
	Interurban	0.00%	29/08/2011
	Ambulances	0.00%	29/08/2011
	ATV	0.00%	29/08/2011
	Motorcycles	0.00%	29/08/2011
	Motorhomes	0.00%	29/08/2011
	Private Buses	0.00%	29/08/2011
	Public Buses	0.00%	29/08/2011
	School Buses	0.00%	29/08/2011
	Snow Vehicles	0.00%	29/08/2011



	Taxis	0.00%	29/08/2011
Zenith Insurance Company	Private Passenger	0.40%	04/03/2011
	Antique Vehicles	0.00%	17/08/2011
	ATV	6.83%	17/08/2011
	Camper Trailers	0.00%	20/09/2011
	Motorcycles	-30.29%	17/08/2011
	Motorhomes	-64.13%	17/08/2011
	Snow Vehicles	52.40%	17/08/2011
Zurich Insurance Company	Private Passenger	-4.36%	01/03/2011
	Commercial	-1.62%	08/08/2011
	Interurban	0.00%	08/08/2011
	Ambulances	0.00%	08/08/2011
	Antique Vehicles	0.00%	08/08/2011
	ATV	0.00%	08/08/2011
	Camper Trailers	0.00%	08/08/2011
	Fire Department Vehicles	0.00%	08/08/2011
	Funeral Carriages & Hearses	0.00%	08/08/2011
	Motorcycles	0.00%	08/08/2011
	Motorhomes	0.00%	08/08/2011
	Other Public Use	0.00%	08/08/2011
	Police Vehicles	0.00%	08/08/2011
	Private Buses	0.00%	08/08/2011
	Public Buses	0.00%	08/08/2011
	School Buses	0.00%	08/08/2011
	Snow Vehicles	0.00%	08/08/2011
	Taxis	0.00%	08/08/2011

* These decisions have not been rendered as of date of publication

Other Filings

Insurance Company Name	Filing Class	Filing Type	Date of Filing
Allstate Insurance Company of Canada	Private Passenger	Rating Rule Change	26/04/2011
	Motorcycles	Rating Rule Change	26/04/2011
	ATV	Rating Rule Change	26/04/2011
	Snow Vehicles	Rating Rule Change	26/04/2011
	Camper Trailers	Rating Rule Change	26/04/2011
Arch Insurance Company	Private Passenger	Endorsement Filing	08/06/2011
	Interurban	Endorsement Filing	08/06/2011
	Snow Vehicles	Endorsement Filing	08/06/2011
	Taxis	Endorsement Filing	08/06/2011
	ATV	Endorsement Filing	08/06/2011
	Ambulances	Endorsement Filing	08/06/2011
	School Buses	Endorsement Filing	08/06/2011
	Public Buses	Endorsement Filing	08/06/2011
	Private Buses	Endorsement Filing	08/06/2011
Aviva Insurance Company of Canada	Private Passenger	Rate Group Update	25/05/2011
	Private Passenger	Rating Rule Change	14/06/2011
	Private Passenger	Endorsement Filing	12/07/2011
	Commercial	Rate Group Update	17/08/2011
CAA	Private Passenger	Endorsement Filing	11/11/2011
Co-operators General Insurance Company	Commercial	Endorsement Filing	04/02/2011
	Private Passenger	Endorsement Filing	04/02/2011
	Private Passenger	Rate Group Update	04/05/2011
	Commercial	Rate Group Update	15/06/2011
Economical Mutual Insurance Company	Commercial	Rate Group Update	24/08/2011
Elite Insurance Company	Private Passenger	Rate Group Update	25/05/2011
	Private Passenger	Endorsement Filing	12/07/2011
Facility Association	Private Passenger	Rate Group Update	28/07/2011
	Commercial	Rate Group Update	11/10/2011
Federation Insurance Company of Canada	Commercial	Rate Group Update	24/08/2011
	Commercial	Endorsement Filing	27/09/2011
Insurance Company of Prince Edward Island	Private Passenger	Rating Rule Change	03/05/2011
	Private Passenger	Rating Rule Change	21/12/2011
	Commercial	Rate Group Update	21/09/2011
	Interurban	Rate Group Update	22/09/2011
Intact Insurance Company	Private Passenger	Rating Rule Change	21/06/2011
	Commercial	Rating Rule Change	23/08/2011
	Commercial	Rate Group Update	26/10/2011
Lombard General Insurance Company of Canada	Interurban	Rate Group Update	03/10/2011
	Commercial	Rate Group Update	03/10/2011
Lombard Insurance Company	Commercial	Rate Group Update	03/10/2011



	Interurban	Rate Group Update	03/10/2011
Novex Insurance Company	Private Passenger	Rating Rule Change	21/06/2011
Pembridge Insurance Company	Private Passenger	Endorsement Filing	05/08/2011
Promutuel des Riverains	Private Passenger	Rate Group Update	14/06/2011
Promutuel Gaspésie-les Iles	Private Passenger	Rate Group Update	14/06/2011
RBC General Insurance Company	Camper Trailers	U/W Rule Change	22/02/2011
	Snow Vehicles	U/W Rule Change	22/02/2011
	Private Passenger	U/W Rule Change	22/02/2011
	Motorhomes	U/W Rule Change	22/02/2011
	Motorcycles	U/W Rule Change	22/02/2011
	ATV	U/W Rule Change	22/02/2011
	Antique Vehicles	U/W Rule Change	22/02/2011
RBC Insurance Company	Private Passenger	U/W Rule Change	22/02/2011
	Antique Vehicles	U/W Rule Change	22/02/2011
	ATV	U/W Rule Change	22/02/2011
	Motorcycles	U/W Rule Change	22/02/2011
	Motorhomes	U/W Rule Change	22/02/2011
	Snow Vehicles	U/W Rule Change	22/02/2011
	Camper Trailers	U/W Rule Change	22/02/2011
Royal and Sun Alliance Insurance Company of Canada	Commercial	Rate Group Update	16/09/2011
	Interurban	Rate Group Update	16/09/2011
Scottish & York Insurance Company Limited	Private Passenger	Rating Rule Change	14/06/2011
	Private Passenger	Endorsement Filing	12/07/2011
State Farm Mutual Automobile Insurance Company Plan A	Private Passenger	Rate Group Update	08/11/2011
State Farm Mutual Automobile Insurance Company Plan B	Private Passenger	Rate Group Update	08/11/2011
The Personal Insurance Company	Private Passenger	Endorsement Filing	15/12/2011
The Wawanesa Mutual Insurance Company	Private Passenger	U/W Rule Change	13/05/2011
	Commercial	U/W Rule Change	13/05/2011
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Interurban	Rate Group Update	03/10/2011
	Commercial	Rate Group Update	03/10/2011
Traders General Insurance Company	Private Passenger	Rate Group Update	25/05/2011
	Private Passenger	Rating Rule Change	14/06/2011
	Private Passenger	Endorsement Filing	12/07/2011
Trafalgar Insurance Company of Canada	Private Passenger	Rating Rule Change	22/06/2011



New Brunswick
INSURANCE
Board

APPENDIX B
2010-2011 Fiscal Year
Audited Financial Statement
(to March 31, 2010)

Peter G. Gaulton Professional Corporation
Chartered Accountant
74 Adelaide Street
Saint John, NB
E2K 1W5

Bus: (506) 634-7393
Fax: (506) 652-8618

Res: (506) 634-7609
E Mail: gaultonp@nbnet.nb.ca

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

I have audited the accompanying financial statements of New Brunswick Insurance Board, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and changes in net 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 generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of New Brunswick Insurance Board as at March 31, 2011, 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 generally accepted accounting principles.

June 29, 2011
Saint John, NB


Chartered Accountant

New Brunswick Insurance Board

Statement of Financial Position

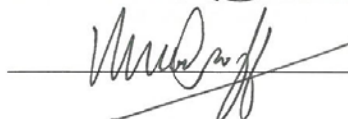
As at March 31, 2011

	2011	2010
Assets		
Current:		
Cash in bank	\$ 1,704,992	\$ 486,496
Scotiabank GICs	-	1,500,444
Accounts receivable	20,671	18,282
Accrued interest receivable	-	444
Harmonized sales tax recoverable	98,799	87,994
Prepaid expenses	5,959	3,653
	<u>1,830,421</u>	<u>2,097,313</u>
Property, Plant and Equipment (note 3)	564,148	486,343
Less: accumulated amortization	(336,181)	(234,030)
	<u>227,967</u>	<u>252,313</u>
	<u>\$ 2,058,388</u>	<u>\$ 2,349,626</u>
Liabilities		
Current:		
Accounts payable and accrued liabilities	\$ 213,516	\$ 217,590
Deferred assessments (note 6)	1,844,872	2,132,036
	<u>2,058,388</u>	<u>2,349,626</u>
Net assets	<u>-</u>	<u>-</u>
	<u>\$ 2,058,388</u>	<u>\$ 2,349,626</u>

See accompanying notes to financial statements

Approved by the Board:

 Chairperson

 Vice-Chairperson



New Brunswick Insurance Board

Statement of Operations and Net Assets
For the year ended March 31, 2011

	2011	2010
Receipts		
Assessments	\$ 2,000,739	\$ 1,676,406
Interest	3,302	8,456
Other	356	1,473
	<u>2,004,397</u>	<u>1,686,335</u>
Operating disbursements		
Wages, benefits and other employee costs	582,954	519,710
Interest and bank charges	1,781	1,653
Uncollectible assessments	-	20,089
Rent	126,308	123,502
Amortization expense	102,152	100,293
Office expenses	24,513	12,822
Audit and accounting	14,850	15,228
Consulting services	21,652	-
Training and education	56,572	46,471
Telecommunications	23,565	22,187
Equipment leases	7,638	14,712
Communications and community support	15,479	30,731
Meetings and conferences	14,449	7,694
Insurance	1,474	1,218
IT support	15,519	24,324
	<u>1,008,906</u>	<u>940,634</u>
Regulatory disbursements		
Board compensation	96,247	108,662
Board member training & education	29,822	18,415
Board member meetings & conferences	4,293	8,150
Travel	10,806	18,663
Advertising	8,783	3,047
Actuarial services	591,870	492,878
Hearing expenses	15,942	12,149
Legal	237,728	83,737
	<u>995,491</u>	<u>745,701</u>
Net of receipts and disbursements	NIL	NIL
Net assets, beginning of year	NIL	NIL
Net assets, end of year	\$ NIL	\$ NIL

See accompanying notes to financial statements

New Brunswick Insurance Board

Statement of Cash Flows

For the year ended March 31, 2011

	2011	2010
Cash provided by (used in):		
Operations		
Excess of receipts over disbursements	\$ -	\$ -
Items not involving an outlay of cash:		
Loss on disposal of vehicle	-	(992)
Amortization expense	102,152	100,293
	<u>102,152</u>	<u>99,301</u>
Decrease (increase) in accounts receivable	(2,389)	(8,088)
Decrease (increase) in accrued interest receivable	444	1,057
Decrease (increase) in HST recoverable	(10,804)	90,554
Decrease (increase) in prepaid expenses	(2,306)	5,108
Increase (decrease) in accounts payable	(4,074)	84,804
Increase (decrease) in deferred revenue	(287,165)	156,728
	<u>(204,142)</u>	<u>429,464</u>
Investing		
Purchase of property, plant and equipment	(77,806)	(298,432)
Proceeds on the disposal of equipment	-	2,000
Purchase of Scotiabank GICs	-	(1,500,444)
GICs redeemed	1,500,444	1,500,000
	<u>1,422,638</u>	<u>(296,876)</u>
Increase in cash	1,218,496	132,588
Cash, beginning of year	486,496	353,908
Cash, end of year	<u>\$ 1,704,992</u>	<u>\$ 486,496</u>

See accompanying notes to financial statements



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2011

1. Purpose of the organization

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

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

2. Significant accounting policies

(a) Method of accounting:

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

(b) 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 except for equipment under capital lease. The equipment under capital lease is amortized on an annual basis at an amount equal to the principal portion of the long-term debt repayments.

(c) Financial instruments:

Financial instruments of the Board consist of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying value of the financial instruments approximates their fair value due to their nature or capacity for prompt liquidation. It is management's opinion that the Board is not exposed to significant interest rate, currency or credit risks arising from these financial instruments (see note 9).

3. Property, plant and equipment

	2011		2010	
	Cost	Accumulated Amortization	Net book Value	Net book Value
Computer equipment	\$ 153,296	\$ 111,911	\$ 41,385	\$ 6,230
Computer software	108,622	50,089	58,533	66,718
Systems software	183,190	73,276	109,914	146,552
Vehicle	28,160	12,738	15,422	25,477
Leasehold improvements	3,680	2,452	1,228	1,682
Furniture and fixtures	87,200	85,715	1,485	5,654
	<u>\$ 564,148</u>	<u>\$ 336,181</u>	<u>\$ 227,967</u>	<u>\$ 252,313</u>

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2011

4. Future employee benefits

Pension Plan:

The Board and its employees participate in a contributory defined benefit pension plan, administered by the Province of New Brunswick and the Public Service Superannuation Act. The plan provides pensions to employees of the Provincial Government and certain Crown Corporations and agencies based on the length of service and highest successive five year average salary. The expense for this pension plan is equivalent to the annual contribution of \$41,194 (2010: \$42,155). Any shortfall in the funding of the plan is guaranteed by the Province of New Brunswick, which is the sponsor of the plan.

5. Commitments

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

April 1, 2011 - December 31, 2015: \$ 118,344

The Board negotiated several operating leases of its computer equipment and a photocopier. The minimum annual payments under the lease terms are as follows:

April 1, 2011 - March 31, 2013: \$ 5,512

6. Deferred assessments and capital management

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

7. Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty.

8. Comparative figures

Certain comparative figures have been restated to conform with the presentation adopted for this year.



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2011

9. Financial instruments

In accordance with Section 3855, Financial Instruments - Recognition and Measurement, financial instruments are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification of the instrument is determined by the Board when the financial instrument is initially recorded, based on the underlying purpose of the instrument. The financial assets and financial liabilities of the Board are classified and measured as follows:

Financial Asset/ Liability	Category	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations and surplus in the period the gain or loss occurs.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Board would receive or pay to settle a financial asset or liability as at the reporting date.

The fair values of cash, prepaids, accounts receivable, investments, accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

Risk management

The Board manages its exposure to risks associated with financial instruments that have the potential to affect its operating and financial performance. The objective is to reduce volatility in cash flow in earnings. Management monitors its exposure to risks on a regular basis. The Board does not use derivative financial instruments to manage its risks.

The financial instruments of the Board and the nature of risks which they may be subject to are as follows:

Financial instruments	Risks				
	Credit	Liquidity	Market risks		
Currency			Interest rate	Other price	
Measured at amortized cost					
Accounts receivable	X	X			
Accounts payable and accrued liabilities		X			
Measured at fair value					
Cash on deposit	X			X	

New Brunswick Insurance Board

Notes to Financial Statements
For the year ended March 31, 2011

9. Financial instruments (cont'd)

Credit risk

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

The maximum exposure of the Board to credit risk at March 31, 2011 is as follows:

Cash	\$	1,704,992
Accounts receivable		20,671
	\$	<u>1,725,663</u>

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

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

Liquidity risk

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

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

Market risk

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

Interest rate risk

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

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



