



New Brunswick
INSURANCE
Board

ANNUAL REPORT

2 0 1 4





March 1, 2015

The Honourable Stephen Horsman
Minister of Justice
Province of New Brunswick
P.O. 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 2014 calendar year. The report contains an overview of our activities for the year as well as our audited financial statements for the 2013-2014 fiscal year ending March 31, 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Paul D'Astous'.

Paul D'Astous
Chairman & CEO
New Brunswick Insurance Board

Table of Contents

Message From the Chair and CEO	1
Fulfilling the Mandate of the Board	1
Rates in 2014 and Outlook for 2015	1
Efficiencies and Effectiveness of the Board	1
The Board	2
Mission	2
Members	3
Board Governance	3
Rate Review Process	3
Consulting Actuaries	4
Accountability	5
Canadian Automobile Insurance Rate Regulators Association	6
Counsel of Canadian Administrative Tribunals	6
Minor Injury Reform Impact	6
New Brunswick Market	7
Territories	7
Private Passenger Vehicles	8
Insurance Company Groups	9
New Brunswick Private Passenger Vehicles Market Share 1994 to 2014	10
Facility Association	10
Facility Association Monthly New Business - Private Passenger Vehicles	11
FA Reasons - New Brunswick - Private Passenger Vehicles 2013	12
IAO Actuarial Consulting Services Inc.	12
Understanding Insurance Rates	13
Insurance Premiums	13
Minimum Required Auto Insurance Coverage in New Brunswick	14
Optional Coverages	14
Canadian Loss Experience Automobile Rating	15
Atlantic – Worst Ten 2000-2012 Models Theft Frequency	15
Appendix A – Filings Reviewed in 2014	16
Filing Guidelines	16
List of 2014 PPV Rate Filings	16
List of 2014 Rate Filings Comm, Misc	17
List of Other 2014 Filings	25
Appendix B – Audited Financial Statements	27

Message from the Chair and CEO



Paul D'Astous

Fulfilling the Mandate of the Board

On behalf of the Board, I am pleased to present the New Brunswick Insurance Board's Annual Report for the year ended December 31, 2014. The Board marked ten years of operations this October. Throughout that time the NBIB has remained focused on achieving its mandate to ensure that New Brunswick drivers are paying just and reasonable rates for automobile insurance.

The Board continues its diligence in reviewing auto insurance rate applications and holding insurance providers to account with respect to the rates that they want to charge their customers. As I noted in last year's report, the Board will be monitoring the impact of reforms to minor injury regulations on auto insurance rates in the coming years. A key concern this year was ensuring that insurance companies complied with the Board's 2013 decision that allowed for minor injury reform price adjustments if supported by actual claims data.

Rates in 2014 and Outlook for 2015

As noted in our 2013 report, the Board expected to see average rate reductions of approximately 5% for 2014 as compared to 2013. Once the final rate applications were processed the final reduction was approximately 4% with a final average premium of \$670-\$680 in the standard insurance market. However, as always, we must provide the caveat that every driver has unique circumstances and therefore a unique rate profile and that individual results can vary significantly.

Based on the initial analysis of the 2015 rate applications, it would appear that the period of continuing rate reductions is nearing an end. Overall, the average rate application is showing a very small reduction of less than 1% as insurers have now incorporated most of the improvements in claims costs that have been seen over the last decade. Further, when rate applications are received in the fall of 2015, insurers will begin to have sufficient data to show what the impact of the minor injury reforms may ultimately become. Although it is much too early to say with any certainty, there may be

upward pressure on rates as was shown in submissions at the Board's generic hearing on minor injury reform impacts held in October 2013.

Efficiencies and Effectiveness of the Board

In our 2013 Annual Report, we noted the appointment of Richard Gauthier and Jacqueline Friedland as our consulting actuaries. Shortly after our report was finalized both Richard and Jacqueline made career decisions that led them away from their consulting positions. Utilizing its recently completed Request for Proposals process, the Board appointed Liam McFarlane, a partner with Ernst & Young LLP and Pierre Lepage, a partner with KPMG LLP as our new consulting actuaries for 2014 and beyond. As we did last year, we have included additional information about our actuaries and their key team members in our report.

Training for Board members and staff continues as a priority for the NBIB. This past year training and information sessions were held, among others, looking at issues such as Administrative Law, actuarial analysis of rate applications, the possible impact of telematics on auto insurance rates and the use of multivariate rating algorithms by insurers as a method to improve pricing. The insurance world continues to innovate and those changes are making their way to the New Brunswick marketplace. The NBIB will stay abreast of these changes and will ensure innovations are working to the advantage of New Brunswick auto insurance consumers.

The NBIB is constantly working to ensure that its decision-making process leads to the best possible outcomes for New Brunswick auto insurance consumers. Delivering decisions in the auto insurance rate making environment is a complex process that involves the synthesis of vast quantities of data. In 2014, the Board began a project to examine the various elements that lead to the final rate application decisions. The Board will review these elements to ensure that each of these pieces of the puzzle is adding value to the decision-making methodology.

Over the years the Board has had a close working relationship with the Office of the Consumer Advocate for Insurance. I am pleased to see that this office will continue to operate as an office of the Legislative Assembly. I look forward to continuing

our relationship with the Office of the Consumer Advocate working on behalf of New Brunswick insurance consumers.

We continue to work with our colleagues across Canada through our association with the Canadian Auto Insurance Rate Regulators Association (CARR). CARR has been an invaluable resource for the NBIB. Most auto insurance rate regulation bodies across Canada are sharing information, processes, training, and best practices. Discussions have included jurisdictions with both private and public sector auto insurance schemes. Work continues to develop common approaches to the rate regulation process that will lead to continuing increases in the effectiveness for all members of CARR from coast to coast.

In closing, as I enter the final year of my appointment, I am proud of the work that the New Brunswick Insurance Board has done to ensure just and reasonable auto insurance rates for New Brunswick consumers. Today, on average, New Brunswick drivers are paying the lowest rates for auto insurance in the past 20 years. There are challenges in the years ahead as we continue to deal with the impact of the 2013 minor injury reforms but overall New Brunswick is recognized nationally as a jurisdiction that has achieved a highly stable, competitive marketplace through a firm but fair regulatory environment.

| 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.

The Board is currently comprised of the Chair, Vice-chair and eight other members. In addition to the CEO, Paul D'Astous, 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



Did you know?

That the NBIB marked 10 years in operation during 2014. As it was in 2004, the Board's mandate is to ensure just and reasonable auto insurance rates for NB consumers.

Members

The NBIB is comprised of the following members:



Paul D'Astous
Chairman



Jean Leblanc
Vice-Chairman



Ferne Ashford



Georges Leger



Heather Stephen



Roy Therrien



Marven Grant



Ken Cochrane



Andrew Dawson



Jim Jessop

During 2014, three Board members completed their terms: Francine Kanhai, William (Bill) Oliver, and Matthew Tweedie. The Board is grateful for their service.

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 each and every rate application for auto insurance annually.

The rate applications are reviewed by the Board staff and/or the Board's consulting actuaries from Ernst & Young or KPMG. The rigorous process involves discussions with the insurers to clarify processes, to question the assumptions used and to ensure that the rate applications are prepared using sound actuarial practices and procedures. The review examines and questions the trends that are being used in the rate calculations, the insurers actual experience compared to what had been projected and the nature of the insurer's book of business.

After the initial review is completed, if the rate application does not trigger an automatic hearing, as required by the *Insurance Act*, it is passed to a review panel of the Board consisting of three members. The review panel will examine the final version of the rate application and will make a recommendation to the Chair as to whether the rate application requires further investigation or not.

If the application requires further investigation, the Chair can order that the rate application proceed to 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 review process is designed to focus on the issue of whether rates proposed are just and reasonable, given the information that is currently available. That review includes the actual company information, the industry information and other information about the current state of the insurance marketplace.

In 2014, 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 421 filings in 2014 which included:

- **41** private passenger vehicle rate filings
- **45** commercial and interurban vehicle rate filings
- **274** miscellaneous vehicle rate filings including, motorcycles, ATVs, snowmobiles, buses, taxis etc.
- **61** other filings including: updating rate group tables, proposed changes to endorsements, and proposed changes to rating rules.

Consulting Actuaries

As noted in the 2012 Annual Report, the Board issued a Request For Proposal in 2012 to renew our consulting actuary contracts through a competitive process. As noted earlier in the Chairman's message, the Board engaged Ernst & Young to replace PricewaterhouseCoopers as a result of personnel changes. Regardless of this change, 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

Liam McFarlane

Partner and Canadian Actuarial Practice Leader, Advisory Services

Liam McFarlane is the leader of Ernst & Young's Canadian actuarial practice. He is a fellow of the Canadian Institute of Actuaries as well as the Casualty Actuarial Society. He is also a member of Ernst & Young's global working group addressing pending changes to the International Accounting Standards Board (IASB) International Financial Reporting Standards (IFRS) insurance contracts (IFRS 4 - Phase II).

Liam has over 25 years of experience in the Canadian property and casualty insurance industry. Prior to joining Ernst & Young, Liam gained extensive experience as a senior insurance executive as well as a consulting actuary working with insurers, reinsurers, captives, professional associations and financial institutions across most of the major lines of insurance in Canada. He is the Appointed Actuary to a number of insurers as well as the Facility Association and acts as actuary to the General Insurance Statistical Agency (GISA).

Liam has participated in many industry and professional committees over his career. He is currently the chairperson of the Committee on Professional Conduct of the Canadian Institute of Actuaries.

Cosimo Pantaleo

Senior Manager, 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 Justice by March 1st. This report highlights activities and accomplishments of the 2014 calendar year. The Board also appears before the Standing Committee on Crown Corporations when requested 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.

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 June and September for all Board members and orientation training for new Board members in November.

Canadian Automobile Insurance Rate Regulators Association

The Manitoba Public Utilities Board was host to the eighth annual Canadian Automobile Insurance Rate Regulators Association (CARR) conference in Winnipeg, MB from September 28 - October 1, 2014.

Since the inaugural event, held in Saint John in October 2007, CARR has acted as an excellent training and information sharing venue for auto insurance rate regulators from across Canada. Each year, the conference provides members with opportunities to discuss new approaches to rate regulation, share best practices, identify emerging issues and learn through educational opportunities how best to fulfill their jurisdictional mandates.

CARR members continue to work on various committees both within the organization and for external regulatory bodies such as the General Insurance Statistical Agency (GISA), in efforts to develop improved data reliability, streamline the regulatory process and ensure consistent standards are used throughout Canada in the rate review process.

Council of Canadian Administrative Tribunals (CCAT)

CCAT is a national non-profit organization dedicated to promoting excellence in administrative justice. It provides a forum for discussion, education, research, and policy development in the field of administrative justice.

Created in the mid-1980s, CCAT's goals are to:

- enhance and expand contact among members of the administrative justice community,
- promote awareness of the role and importance of administrative justice in everyday life,
- speak out on issues of importance to the administrative justice community, and
- provide support and services of value to its membership.

The NBIB has been involved with CCAT since 2006 and takes an active part in its ongoing educational activities. Board Chairman Paul D'Astous has been involved in the executive committee for CCAT for a number of years and played an important role in bringing the 2015 Annual Symposium to Moncton.

Minor Injury Reform

As noted in our last annual report, the Board issued a decision in October 2013 with respect to the expected impact of reform to the Minor Injury Regulation on auto insurance rates. In that decision, the Board recognized the probable impact on loss costs for industry. However, the Board's decision and the final guidance to industry reflected the ongoing uncertainty in the ultimate impact and required rate applications for 2014 and beyond to be based on data which reflects the actual impact of the reforms.

The Board has been vigilant during 2014 and has ensured that rate applications made during the year fully comply with the Board's October 2013 decision. The impact of the reforms will be more evident in 2015 as additional data from the period since the reforms came into effect (July 1, 2013) becomes made available.

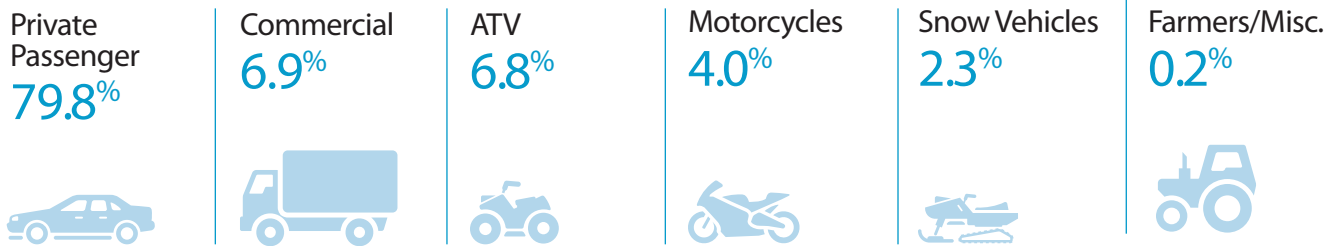


Did you know?

That the NBIB was a key founding member of CARR and hosted the original national conference in 2007. NB is hosting the 9th national conference in 2015.

New Brunswick Market

Based on available data, the breakdown of the types of vehicles in the New Brunswick automobile insurance market in 2013, the most recent year for which data is available, is as follows:



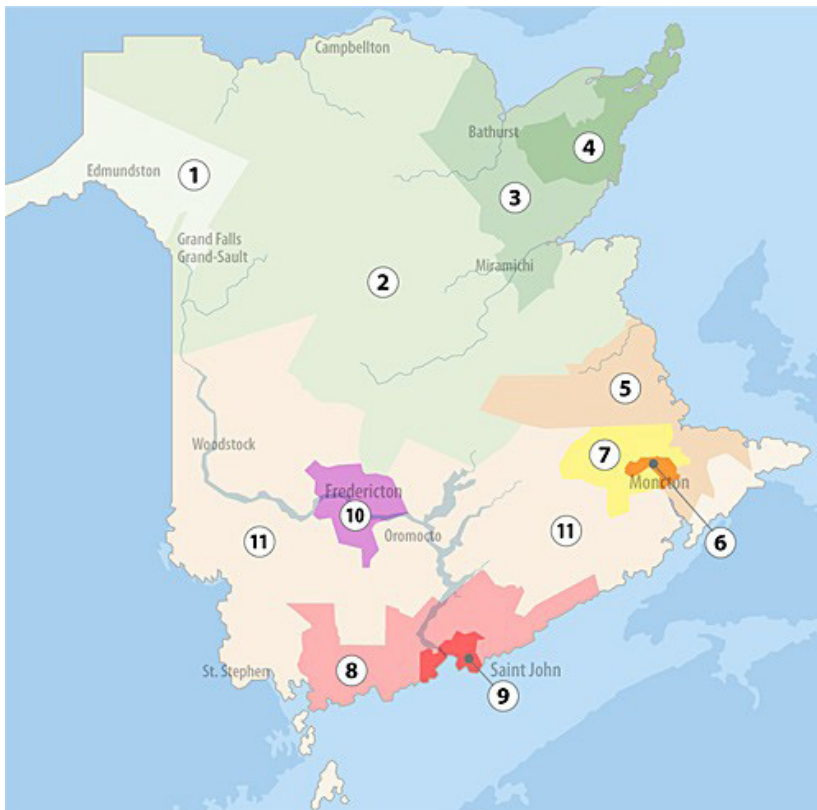
Source: GISA 2013 Auto 1003 ATL and AUTO1010-ATL

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 2013 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 30.7% of vehicle exposures. The seven territories (5-11) within southern New Brunswick represent 69.3% of vehicle exposures.

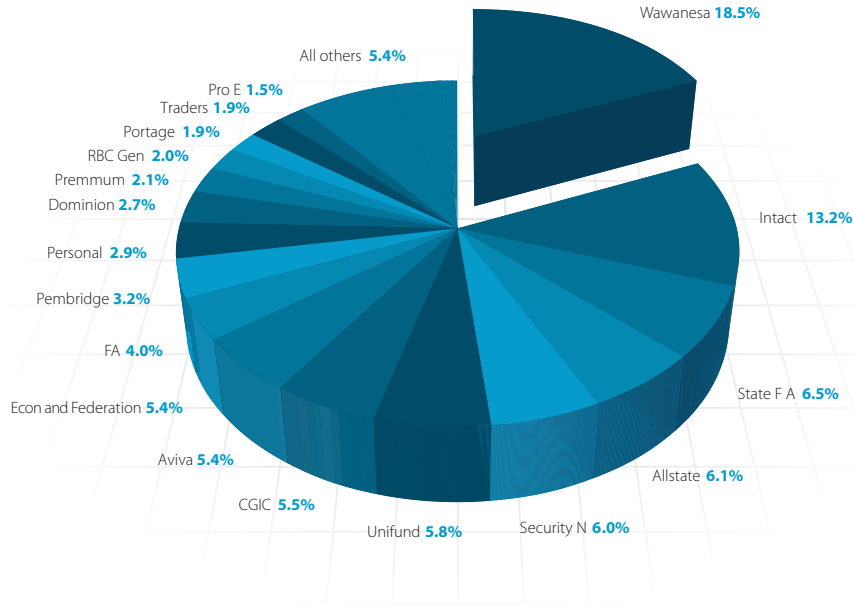


Territory	2013 Written Vehicles Distribution
1	5.5%
2	9.8%
3	8.7%
4	6.7%
5	7.6%
6	8.8%
7	7.5%
8	9.5%
9	7.2%
10	11.8%
11	16.9%

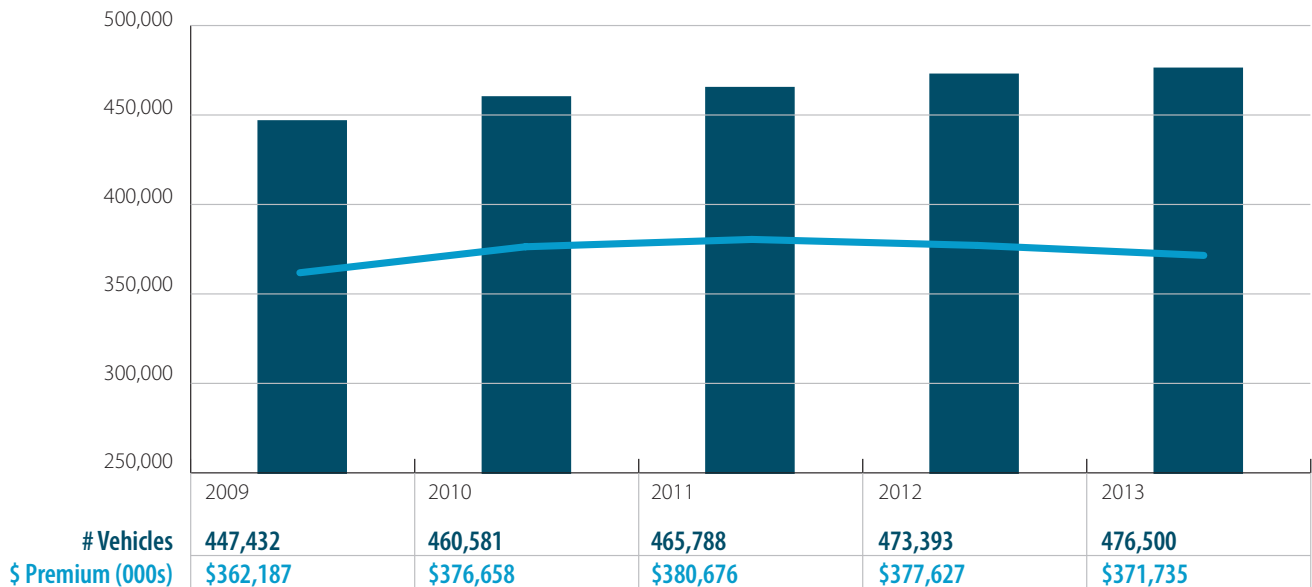
Source: GISA 2013 Auto 3003 NB

Private Passenger Vehicles

There are 48 insurance companies within the private passenger market in New Brunswick. Based on the information contained within the 2014 rate filings submitted to the NBIB, the standard market share breaks down as follows:



NB Private Passenger Written Vehicles and Premiums 2009-2013



Source: GISA AUTO1010-ATL

In reviewing the data, over the past five years the number of vehicles in New Brunswick has been steadily increasing. 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.

In comparing 2012 to 2013, the total number of private passenger vehicles within New Brunswick has increased by 0.66% and the overall total premium collected for the market decreased by -1.56%

Insurance Company Groups

Allstate Group

- Allstate Insurance Company of Canada
- Pembroke Insurance Company
- Pafco Insurance Company

Aviva Group

- Aviva Insurance Company of Canada
- Elite 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)

Economical Group

- Economical Mutual Insurance Company
- Federation Insurance Company of Canada
- 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 Commercial Insurance Corporation
- 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

State Farm Mutual Group

- State Farm Mutual Automobile Insurance Company Plan A
- State Farm Mutual Automobile Insurance Company Plan B

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
- Arch Insurance Company
- CAA Insurance Company (Ontario)
- Dominion of Canada General Insurance Company (The)
- Guarantee Company of North America (The)
- Liberty Mutual Insurance Company
- Lloyds Underwriters
- Personal Insurance Company (The)
- Portage la Prairie Mutual Insurance Company (The)
- Promutuel de l'Estuaire
- Protective Insurance Company
- RBC Insurance Company
- United General Insurance Corporation
- Wawanesa Mutual Insurance Company (The)
- XL Insurance Company
- Zurich Insurance Company

Facility Association

The Facility Association 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.

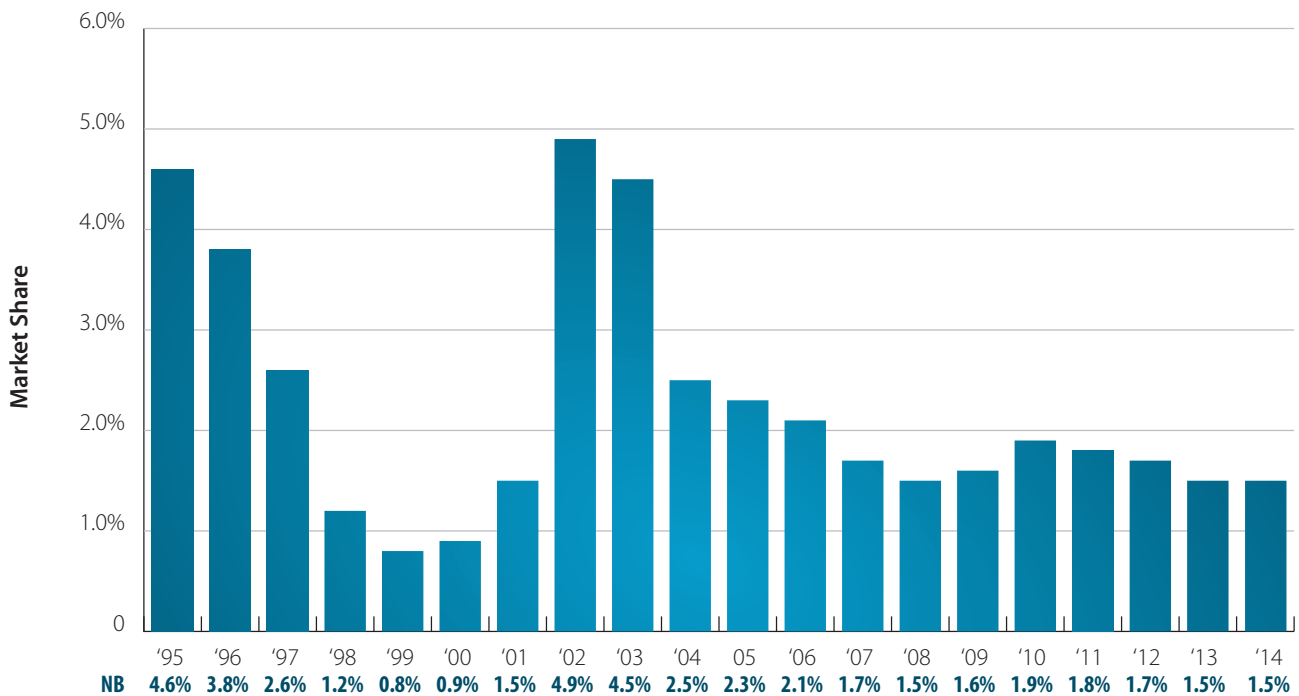
FA's mandate is to ensure the availability of auto insurance to all owners and operators of motor vehicles who would otherwise have difficulty obtaining insurance. It is referred to as the "insurer of last resort" for higher risk drivers.

For 2014 private passenger vehicle rates, FA was approved for a rate reduction of -4.0%. 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 2.0% or less is considered to be an indicator of a very healthy overall insurance market.

New Brunswick Private Passenger Vehicles Market Share 1995 to 2014

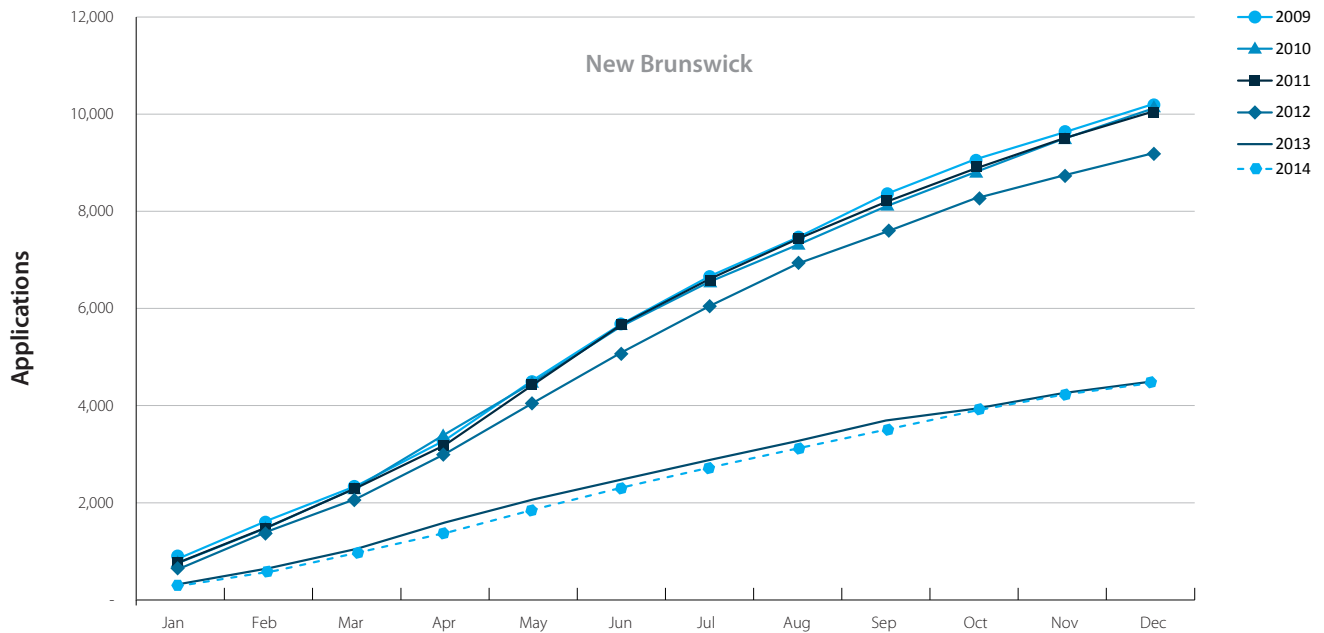
Residual Market Segment Private Passenger Market Share New Brunswick



Source: www.facilityassociation.com

Facility Association Monthly New Business - Private Passenger Vehicles

Summary Comparison: 2009 - 2012 PPV & Rec and 2013 onwards PPV only

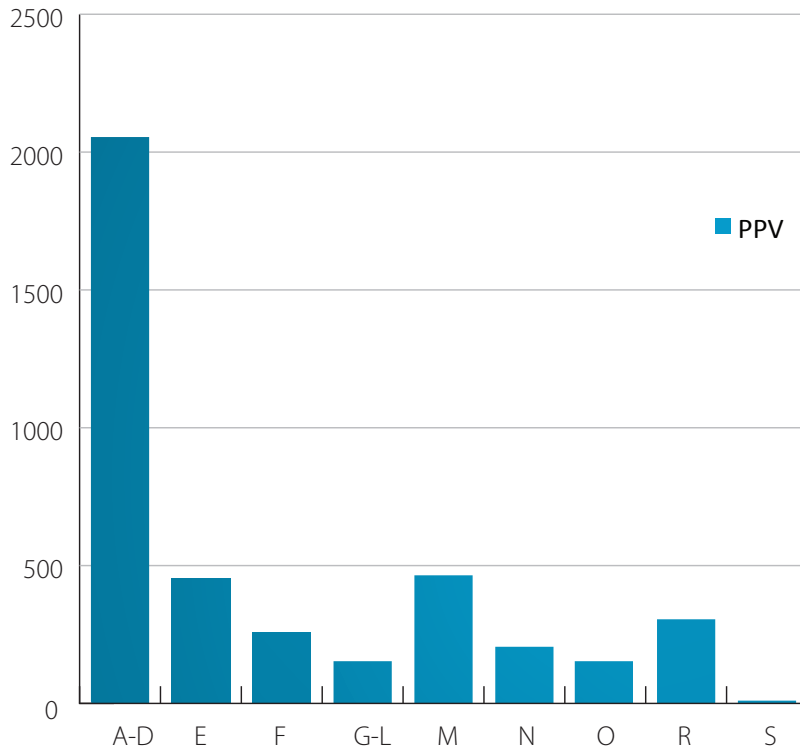


Source: www.facilityassociation.com

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.

FA Reasons - New Brunswick - Private Passenger Vehicles 2014



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

Source: Facility Association

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 for an average rate charge of 2.95%. The IAO rate application is currently under review at the time of publication.

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
---	--

Section B Coverage

Accident Benefit Coverage, Medical payments	\$50,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years
---	---

Accident Benefit Coverage, Funeral expense benefits	\$2,500
---	---------

Accident Benefit Coverage, Disability income benefits	104 weeks partial disability; lifetime if totally disabled; maximum \$250/week; must be disabled for at least 7 days to qualify; unpaid housekeeper \$100/ week, maximum 52 weeks
---	---

Accident Benefit 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
--	--

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

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 not the person driving.



Did you know?

Companies compete for customers by offering a different mix of price, coverage and service.

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 2014

Make	Model	Body Style	Year
Jeep	Cherokee	SUV	1999
Acura	MDX	SUV	2006
Toyota	4Runner	SUV	1999
Dodge	Charger V8	4/5 doors	2006
Mazda	Tribute	SUV	2001
Chevrolet/GMC	Suburban/Yukon XL 1500	SUV	2005
Cadillac	Deville	4/5 doors	2003
Nissan	Titan	Pickup	2005
Acura	TL	4/5 doors	2009
Subaru	Legacy Wagon	4/5 doors	2006

Source: www.abc.ca, Top Ten Stolen Vehicles NB 2014

Appendix A – Filings Reviewed in 2014

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 2014 PPV Rate Filings

Insurance Company Name	Date Of Filing	Rate Change	
		Proposed	Approved
Ace INA Insurance	09/15/14		Pending IAO approval
Allstate Insurance Company of Canada	09/15/14	2.90%	2.90%
Aviva Insurance Company of Canada	09/15/14	-4.79%	-4.79%
CAA Insurance Company (Ontario)	09/15/14	-1.13%	-1.13%
Co-operators General Insurance Company	09/15/14	1.35%	1.35%
COSECO Insurance Company	09/15/14	2.39%	2.88%
CUMIS General Insurance Company	09/15/14	0.48%	0.71%
Dominion of Canada General Insurance Company (The)	09/15/14	0.00%	Under review
Echelon General Insurance Company	01/15/14	0.00%	Under review
Economical Mutual Insurance Company	09/15/14	-1.90%	-1.90%
Elite Insurance Company	01/15/14	-6.68%	-6.68%
Federated Insurance Company of Canada	09/15/14		Pending IAO approval
IAO Actuarial Consulting Services Inc.	10/24/14	2.95%	2.95%
Insurance Company of Prince Edward Island	09/15/14	-5.70%	Under review
Intact Insurance Company	09/15/14	-2.12%	-2.65%
Liberty Mutual Insurance Company	09/15/14		Pending IAO approval
Northbridge General Insurance Corporation	09/15/14		Pending IAO approval
Northbridge Personal Insurance Corporation	09/15/14		Pending IAO approval
Pafco Insurance Company	01/15/14	-13.85%	-13.85%
Pembridge Insurance Company	09/15/14	-0.01%	0.00%
Personal Insurance Company (The)	09/15/14	-3.64%	Under review
Perth Insurance	12/02/14	0.00%	0.00%
Portage la Prairie Mutual Insurance Company (The)	09/15/14	2.69%	2.69%
Primum Insurance Company	09/15/14	2.82%	2.82%
Promutuel de l'Estuaire	09/15/14	-2.84%	Under review
RBC General Insurance Company	09/15/14	-4.23%	Under review
Royal and Sun Alliance Insurance Company of Canada	09/15/14	2.66%	2.70%
Scottish & York Insurance Company Limited	09/15/14	-4.79%	-4.79%
Security National Insurance Company	09/15-14	2.66%	2.66%
Sovereign General Insurance Company (The)	09/15/14		Pending IAO approval
State Farm Mutual Automobile Insurance Company Plan A	09/15/14	-0.20%	-0.20%
State Farm Mutual Automobile Insurance Company Plan B	09/15/14	0.60%	0.60%

List of 2014 PPV Rate Filings

Insurance Company Name	Date Of Filing	Rate Change	
		Proposed	Approved
TD Home and Auto Insurance Company	09/15/14	2.90%	2.90%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	09/15/14		Pending IAO approval
Traders General Insurance Company	09/15/14	-4.98%	-4.98%
Trafalgar Insurance Company of Canada	09/15/14	2.27%	2.57%
Unifund Assurance Company	09/15/14	-0.79%	0.00%
United General Insurance Corporation	09/15/14	-5.88%	-5.88%
Waterloo Insurance Company	09/15/14	-6.60%	-6.60%
Wawanesa Mutual Insurance Company (The)	09/15/14	2.69%	2.69%
XL Insurance Company Limited	09/15/14		Pending IAO approval
Zenith Insurance Company	09/15/14		Pending IAO approval

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Ace INA Insurance	Commercial	10/09/14	-4.15%
	Interurban	10/24/14	-0.57%
Allstate Insurance Company of Canada	All Terrain Vehicle	05/01/14	0.00%
	Camper Trailers	05/01/14	0.00%
	Motorcycles	01/22/14	0.00%
	Motorcycles	12/22/14	Under review
	Motorhomes	05/01/14	0.00%
	Snow Vehicles	05/01/14	0.00%
Aviva Insurance Company of Canada	All Terrain Vehicle	06/20/14	0.00%
	Ambulances	10/14/14	0.00%
	Camper Trailers	06/20/14	0.00%
	Commercial	06/27/14	0.00%
	Interurban	06/27/14	0.00%
	Motorcycles	06/20/14	0.00%
	Motorhomes	06/20/14	0.00%
	Private Buses	10/14/14	0.00%
	Public Buses	10/14/14	0.00%
	School Buses	10/14/14	0.00%
	Snow Vehicles	06/20/14	0.00%
	Taxi	10/14/14	0.00%
CAA Insurance Company (Ontario)	Camper Trailers	08/12/14	0.00%
	Motorhomes	08/08/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Co-operators General Insurance Company	All Terrain Vehicle	06/20/14	0.00%
	Antique Vehicles	04/04/14	0.00%
	Camper Trailers	07/11/14	0.00%
	Commercial & Interurban Vehicles	04/04/14	2.56%
	Motorcycles	07/11/14	0.00%
	Motorhomes	07/11/14	0.00%
	Private Buses	04/04/14	0.00%
	School Buses	04/04/14	0.00%
	School Buses	12/19/14	Under review
	Snow Vehicles	04/04/14	0.00%
COSECO Insurance Company	All Terrain Vehicle	05/09/14	1.40%
	Camper Trailers	05/09/14	0.00%
	Motorcycles	05/09/14	0.00%
	Motorhomes	05/09/14	0.00%
	Snow Vehicles	05/09/14	2.70%
CUMIS General Insurance Company	All Terrain Vehicle	05/09/14	1.03%
	Camper Trailers	05/09/14	0.00%
	Motorcycles	05/09/14	0.00%
	Motorhomes	05/09/14	0.00%
	Snow Vehicles	05/09/14	2.01%
Dominion of Canada General Insurance Company (The)	All Other Public	08/29/14	0.00%
	All Terrain Vehicle	08/29/14	0.00%
	Ambulances	08/29/14	0.00%
	Antique Vehicles	08/29/14	0.00%
	Buses (All)	08/29/14	0.00%
	Camper Trailers	08/29/14	0.00%
	Commercial	08/29/14	Under review
	Interurban	08/29/14	-0.66%
	Motorcycles	08/29/14	0.00%
	Motorhomes	08/29/14	0.00%
	Snow Vehicles	08/29/14	0.00%
	Taxi	08/28/14	0.00%
Echelon General Insurance Company	Commercial	05/14/14	0.00%
Economical Mutual Insurance Company	All Terrain Vehicle	05/15/14	0.00%
	Antique Vehicles	05/15/14	0.00%
	Camper Trailers	05/15/14	0.00%
	Commercial & Interurban Vehicles	04/11/14	0.00%
	Motorcycles	05/15/14	0.00%
	Motorhomes	05/15/14	0.00%
	Private Buses	04/11/14	0.00%
	Snow Vehicles	05/15/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Elite Insurance Company	Antique Vehicles	01/09/14	0.00%
	Camper Trailers	01/09/14	0.00%
	Motorcycles	01/09/14	0.00%
	Motorhomes	11/28/14	Under review
	Motorhomes	01/09/14	0.00%
Facility Association	All Terrain Vehicle	09/25/14	0.00%
	Ambulances	05/02/14	0.00%
	Antique Vehicles	09/25/14	0.00%
	Camper Trailers	09/25/14	0.00%
	Commercial	04/25/14	0.00%
	Funeral Carriages & Hearses	05/02/14	0.00%
	Interurban	04/25/14	0.00%
	Motorcycles	09/25/14	0.00%
	Motorhomes	09/25/14	0.00%
	Private Buses	05/02/14	0.00%
	Public Buses	05/02/14	0.00%
	Public Buses	05/02/14	0.00%
	School Buses	05/02/14	0.00%
Snow Vehicles	09/25/14	0.00%	
Taxi	05/02/14	0.00%	
Federated Insurance Company of Canada	All Terrain Vehicle	12/12/14	0.00%
	Camper Trailers	12/12/14	0.00%
	Commercial	03/04/14	-6.90%
	Interurban	03/04/14	0.00%
	Motorcycles	12/12/14	3.18%
	Motorhomes	12/12/14	0.00%
	Snow Vehicles	12/12/14	0.00%
Federation Insurance Company of Canada	All Terrain Vehicle	05/15/14	0.00%
	Antique Vehicles	05/16/14	0.00%
	Camper Trailers	05/16/14	0.00%
	Commercial & Interurban Vehicles	04/11/14	0.00%
	Motorcycles	05/15/14	0.00%
	Motorhomes	05/16/14	0.00%
	Snow Vehicles	05/15/14	0.00%
Guarantee Company of North America (The)	Ambulances	03/27/14	0.00%
	Commercial	03/27/14	0.00%
	Interurban	03/27/14	0.00%
	Private Buses	03/27/14	0.00%
	Public Buses	03/27/14	0.00%
	School Buses	03/27/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
IAO Actuarial Consulting Services Inc.	All Terrain Vehicle	11/17/14	Under review
	Ambulances	11/17/14	Under review
	Commercial	11/17/14	Under review
	Interurban	11/17/14	Under review
	Motorcycles	11/17/14	Under review
	Motorhomes	11/17/14	Under review
	Private Buses	11/17/14	Under review
	Public Buses	11/17/14	Under review
	School Buses	11/17/14	Under review
	Snow Vehicles	11/17/14	Under review
	Taxi	11/17/14	Under review
Insurance Company of Prince Edward Island	All Terrain Vehicle	01/20/14	0.00%
	Antique Vehicles	01/20/14	0.00%
	Camper Trailers	01/20/14	0.00%
	Commercial & Interurban Vehicles	04/28/14	-1.53%
	Motorcycles	01/20/14	0.00%
	Motorhomes	01/20/14	0.00%
	Snow Vehicles	01/20/14	0.00%
Intact Insurance Company	Ambulances	10/16/14	-6.24%
	Commercial	06/21/14	0.00%
	Interurban	11/07/14	-0.36%
	Private Buses	10/16/14	-2.39%
	Public Buses	10/16/14	-1.27%
	School Buses	10/16/14	-1.27%
	Taxi	10/16/14	-0.41%
Liberty Mutual Insurance Company	All Terrain Vehicle	10/17/14	-11.24%
	Ambulances	10/17/14	-6.24%
	Commercial	10/27/14	-4.15%
	Interurban	10/24/14	-0.57%
	Motorcycles	10/17/14	-11.77%
	Motorhomes	10/17/14	13.01%
	Private Buses	10/17/14	-1.27%
	Public Buses	10/17/14	-1.27%
	School Buses	10/17/14	-1.27%
	Snow Vehicles	10/17/14	-11.87%
Taxi	10/17/14	-0.41%	
Lloyds Underwriters	All Terrain Vehicle	08/20/14	3.00%
	Motorcycles	08/20/14	2.54%
	Snow Vehicles	08/20/14	2.99%
	Snow Vehicles	01/28/14	0.00%
Northbridge Commercial Insurance Corporation	Commercial	10/22/14	0.00%
	Interurban	10/22/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Northbridge General Insurance Corporation	All Terrain Vehicle	10/27/14	0.00%
	Ambulances	10/24/14	0.00%
	Antique Vehicles	10/27/14	0.00%
	Camper Trailers	10/27/14	0.00%
	Commercial	10/24/14	1.56%
	Interurban	11/03/14	0.86%
	Motorcycles	10/27/14	0.00%
	Motorhomes	10/27/14	0.00%
	Private Buses	10/24/14	-2.73%
	Public Buses	10/24/14	2.85%
	School Buses	10/24/14	0.36%
	Snow Vehicles	10/27/14	0.00%
	Taxi	10/24/14	0.00%
Northbridge Personal Insurance Corporation	All Terrain Vehicle	10/27/14	0.00%
	Ambulances	10/24/14	0.00%
	Antique Vehicles	10/27/14	0.00%
	Camper Trailers	10/27/14	0.00%
	Commercial	10/24/14	0.00%
	Interurban	11/03/14	0.00%
	Motorcycles	10/27/14	0.00%
	Motorhomes	10/27/14	0.00%
	Private Buses	10/24/14	0.00%
	Public Buses	10/24/14	0.00%
	School Buses	10/24/14	0.00%
	Snow Vehicles	10/27/14	0.00%
	Taxi	10/24/14	0.00%
Pembridge Insurance Company	All Terrain Vehicle	05/01/14	0.00%
	Camper Trailers	05/01/14	0.00%
	Motorcycles	01/22/14	0.00%
	Motorcycles	12/22/14	Under review
	Motorhomes	05/01/14	0.00%
	Snow Vehicles	05/01/14	0.00%
Personal Insurance Company (The)	All Terrain Vehicle	05/08/14	0.00%
	Camper Trailers	05/08/14	0.00%
	Motorcycles	05/08/14	0.00%
	Motorhomes	05/08/14	0.00%
	Snow Vehicles	05/08/14	0.00%
Portage la Prairie Mutual Insurance Company (The)	All Terrain Vehicle	11/25/14	0.00%
	Camper Trailers	11/28/14	0.00%
	Commercial	11/17/14	-4.54%
	Motorcycles	11/28/14	0.00%
	Motorhomes	11/25/14	0.00%
	Snow Vehicles	11/25/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Primum Insurance Company	All Terrain Vehicle	08/05/14	0.00%
	Camper Trailers	08/05/14	0.00%
	Motorcycles	08/05/14	0.00%
	Motorhomes	05/09/14	0.00%
	Snow Vehicles	08/05/14	0.00%
Promutuel de l'Estuaire	All Terrain Vehicle	04/25/14	2.59%
	Camper Trailers	04/25/14	0.00%
	Commercial	04/25/14	-17.87%
	Motorcycles	01/24/14	0.00%
	Motorhomes	04/25/14	0.00%
	Snow Vehicles	04/25/14	0.00%
Protective Insurance Company	Commercial	10/20/14	-4.15%
	Interurban	10/24/14	-0.57%
RBC General Insurance Company	All Terrain Vehicle	04/25/14	0.00%
	Camper Trailers	04/25/14	0.00%
	Motorcycles	04/25/14	-14.75%
	Motorhomes	04/25/14	0.00%
	Snow Vehicles	04/25/14	0.00%
Royal and Sun Alliance Insurance Company of Canada	All Terrain Vehicle	04/02/14	0.00%
	Antique Vehicles	04/02/14	0.00%
	Camper Trailers	04/02/14	0.00%
	Commercial	03/14/14	-2.11%
	Interurban	03/14/14	0.00%
	Motorcycles	04/02/14	0.00%
	Motorhomes	04/02/14	0.00%
	Snow Vehicles	04/02/14	0.00%
Scottish & York Insurance Company Limited	All Terrain Vehicle	06/23/14	0.00%
	Camper Trailers	06/23/14	0.00%
	Motorcycles	06/23/14	0.00%
	Motorhomes	06/23/14	0.00%
	Snow Vehicles	06/23/14	0.00%
Security National Insurance Company	All Terrain Vehicle	08/05/14	0.00%
	Camper Trailers	08/05/14	0.00%
	Motorcycles	08/05/14	0.00%
	Motorhomes	05/09/14	0.00%
	Snow Vehicles	08/05/14	0.00%
Sovereign General Insurance Company (The)	All Terrain Vehicle	04/25/14	-0.54%
	Ambulances	04/25/14	0.00%
	Camper Trailers	04/25/14	0.00%
	Motorhomes	04/25/14	0.00%
	Other Personal Use	04/25/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
	Other Public Use	04/25/14	0.00%
	Private Buses	04/25/14	0.00%
	Public Buses	04/25/14	0.00%
	School Buses	04/25/14	0.00%
	Snow Vehicles	04/25/14	1.37%
State Farm Mutual Automobile Insurance Company Plan A	All Terrain Vehicle	05/09/14	-1.20%
	Antique Vehicles	05/09/14	-1.20%
	Camper Trailers	05/09/14	1.90%
	Commercial	10/06/14	0.00%
	Interurban	10/06/14	0.00%
	Motorcycles	05/09/14	1.60%
	Motorhomes	05/09/14	2.90%
	Other Personal Use	05/09/14	0.50%
	School Buses	10/06/14	0.00%
	Snow Vehicles	05/09/14	-0.50%
State Farm Mutual Automobile Insurance Company Plan B	All Terrain Vehicle	05/09/14	-0.80%
	Antique Vehicles	05/09/14	-1.20%
	Camper Trailers	05/09/14	1.30%
	Commercial	10/06/14	0.00%
	Interurban	10/06/14	0.00%
	Motorcycles	05/09/14	1.10%
	Motorhomes	05/09/14	2.90%
	Other Personal Use	05/09/14	1.80%
	Snow Vehicles	05/09/14	0.70%
TD Home and Auto Insurance Company	All Terrain Vehicle	08/05/14	0.00%
	Camper Trailers	08/05/14	0.00%
	Motorcycles	08/05/14	0.00%
	Motorhomes	05/09/14	0.00%
	Snow Vehicles	08/05/14	0.00%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	All Terrain Vehicle	10/27/14	0.00%
	Ambulances	10/24/14	0.00%
	Antique Vehicles	10/27/14	0.00%
	Camper Trailers	10/27/14	0.00%
	Commercial	10/24/14	0.00%
	Interurban	11/03/14	0.00%
	Motorcycles	10/27/14	0.00%
	Motorhomes	10/27/14	0.00%
	Private Buses	10/24/14	0.00%
	Public Buses	10/24/14	0.00%
	School Buses	10/24/14	0.00%
	Snow Vehicles	10/27/14	0.00%
	Taxi	10/24/14	0.00%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Traders General Insurance Company	All Terrain Vehicle	03/11/14	0.00%
	Camper Trailers	03/11/14	0.00%
	Motorcycles	03/11/14	0.00%
	Motorhomes	03/11/14	0.00%
	Snow Vehicles	03/11/14	0.00%
Trafalgar Insurance Company of Canada	All Terrain Vehicle	02/27/14	0.00%
	Camper Trailers	02/27/14	0.00%
	Motorcycles	02/27/14	0.00%
	Snow Vehicles	02/27/14	0.00%
Unifund Assurance Company	All Terrain Vehicle	07/25/14	0.00%
	Camper Trailers	07/25/14	0.00%
	Motorcycles	07/25/14	-9.43%
	Motorhomes	07/25/14	0.00%
	Snow Vehicles	07/25/14	-9.14%
United General Insurance Corporation	All Terrain Vehicle	05/23/14	-2.00%
	Commercial	05/23/14	-3.70%
	Motorcycles	05/23/14	-8.10%
	Snow Vehicles	05/23/14	0.00%
Waterloo Insurance Company	All Terrain Vehicle	05/16/14	0.00%
	Antique Vehicles	05/16/14	0.00%
	Camper Trailers	05/16/14	0.00%
	Motorcycles	05/16/14	0.00%
	Motorhomes	05/16/14	0.00%
	Snow Vehicles	05/16/14	0.00%
Wawanesa Mutual Insurance Company (The)	All Terrain Vehicle	04/15/14	0.00%
	Camper Trailers	04/15/14	0.00%
	Commercial	04/25/14	0.00%
	Motorcycles	09/26/14	Under review
	Motorcycles	04/11/14	0.00%
	Snow Vehicles	04/15/14	0.00%
XL Insurance Company Limited	All Terrain Vehicle	10/07/14	-11.24%
	Ambulances	10/07/14	-6.24%
	Commercial	10/07/14	-4.15%
	Interurban	10/24/14	-0.57%
	Motorcycles	10/07/14	-11.77%
	Motorhomes	10/07/14	13.01%
	Private Buses	10/08/14	-1.27%
	Public Buses	10/07/14	-1.27%
	School Buses	10/08/14	-1.27%
	Snow Vehicles	10/07/14	-11.87%
	Taxi	10/08/14	-0.41%

List of 2014 Rate Filings Comm, Misc

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Zenith Insurance Company	All Terrain Vehicle	10/27/14	0.00%
	Antique Vehicles	10/27/14	0.00%
	Camper Trailers	10/27/14	0.00%
	Motorcycles	10/27/14	0.00%
	Motorhomes	10/27/14	0.00%
	Snow Vehicles	10/27/14	0.00%

List of Other 2014 Filings

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Aviva Insurance Company of Canada	Commercial	07/07/14	Endorsement Filing
Co-operators General Insurance Company	All Other Public	12/19/14	Rating Rule Change
	All Terrain Vehicle	12/19/14	Rating Rule Change
	Antique Vehicles	12/19/14	Rating Rule Change
	Commercial & Interurban Vehicles	12/19/14	Rating Rule Change
	Motorcycles	12/19/14	Rating Rule Change
	Motorhomes	12/19/14	Rating Rule Change
	Private Buses	12/19/14	Rating Rule Change
	Private Passenger	12/19/14	Rating Rule Change
	Snow Vehicles	12/19/14	Rating Rule Change
Economical Mutual Insurance Company	Private Passenger	02/19/14	Rate Group Update
Facility Association	Commercial	08/27/14	Rate Group Update
Federation Insurance Company of Canada	Private Passenger	02/20/14	Rate Group Update
Guarantee Company of North America (The)	Commercial	04/14/14	Endorsement Filing
	Interurban	04/14/14	Endorsement Filing
	Ambulances	04/14/14	Endorsement Filing
	Private Buses	04/14/14	Endorsement Filing
	Public Buses	04/14/14	Endorsement Filing
	School Buses	04/14/14	Endorsement Filing
Intact Insurance Company	Commercial	01/08/14	Rate Group Update
	Commercial	12/22/14	Rate Group Update
	Interurban	12/22/14	Rate Group Update
Northbridge General Insurance Corporation	Commercial	10/03/14	Rate Group Update
	Interurban	10/03/14	Rate Group Update
	Private Buses	12/22/14	U/W Rule Change
	Ambulances	12/22/14	U/W Rule Change
	Public Buses	12/22/14	U/W Rule Change
	School Buses	12/22/14	U/W Rule Change
	Taxi	12/22/14	U/W Rule Change
	Commercial	12/22/14	U/W Rule Change
	Interurban	12/22/14	U/W Rule Change

List of Other 2014 Filings

Insurance Company Name	Filing Class	Date Of Filing	Approved Rate Change
Northbridge Personal Insurance Corporation	Commercial	10/03/14	Rate Group Update
	Interurban	10/03/14	Rate Group Update
	Private Buses	12/22/14	U/W Rule Change
	Ambulances	12/22/14	U/W Rule Change
	Public Buses	12/22/14	U/W Rule Change
	School Buses	12/22/14	U/W Rule Change
	Taxi	12/22/14	U/W Rule Change
	Commercial	12/22/14	U/W Rule Change
	Interurban	12/22/14	U/W Rule Change
Perth Insurance Company	Private Passenger	02/19/14	Rate Group Update
Primum Insurance Company	Private Passenger	04/03/14	Rate Group Update
	Private Passenger	04/09/14	Endorsement Filing
Royal and Sun Alliance Insurance Company of Canada	Commercial	09/11/14	Rate Group Update
	Interurban	09/11/14	Rate Group Update
Security National Insurance Company	Private Passenger	04/03/14	Rate Group Update
	Private Passenger	04/09/14	Endorsement Filing
TD Home and Auto Insurance Company	Private Passenger	04/03/14	Rate Group Update
	Private Passenger	04/09/14	Endorsement Filing
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Commercial	10/03/14	Rate Group Update
	Interurban	10/03/14	Rate Group Update
	Private Buses	12/22/14	U/W Rule Change
	Ambulances	12/22/14	U/W Rule Change
	Public Buses	12/22/14	U/W Rule Change
	School Buses	12/22/14	U/W Rule Change
	Taxi	12/22/14	U/W Rule Change
	Commercial	12/22/14	U/W Rule Change
	Interurban	12/22/14	U/W Rule Change
Unifund Assurance Company	All Terrain Vehicle	07/25/14	Rating Rule Change
Waterloo Insurance Company	Private Passenger	02/19/14	Rate Group Update
Wawanesa Mutual Insurance Company (The)	Private Passenger	01/16/14	Endorsement Filing

| Appendix B – Audited Financial Statements

Financial Statements Of

New Brunswick Insurance Board

March 31, 2014

Peter G. Gaulton
Chartered Accountant

New Brunswick Insurance Board

Financial Statements

For the year ended March 31, 2014

Table of Contents:

Auditor's report	1
Financial Statements	
Statement of Financial Position	2
Statement of Operations and Net Assets.....	3
Statement of Cash Flows	4
Notes to Financial Statements.....	5 - 8

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, 2014, 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 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 New Brunswick Insurance Board as at March 31, 2014, 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.

July 16, 2014
Saint John, NB


Chartered Accountant

New Brunswick Insurance Board


Statement of Financial Position

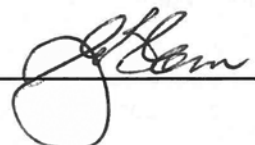
As at March 31, 2014

	2014	2013
Financial Assets		
Current:		
Cash in bank	\$ 2,019,276	\$ 1,846,561
Accounts receivable	25,550	41,238
Harmonized sales tax recoverable	61,141	49,106
	<u>2,105,967</u>	<u>1,936,905</u>
Financial Liabilities		
Current:		
Accounts payable and accrued liabilities	165,114	118,352
Employee deductions payable	10,295	11,803
Retirement allowances payable (note 9)	-	114,526
Deferred assessments (note 6)	1,971,392	1,779,501
	<u>2,146,801</u>	<u>2,024,182</u>
Net Financial Assets(Liabilities)	<u>(40,834)</u>	<u>(87,277)</u>
Non-Financial Assets		
Property, Plant and Equipment (note 3)	597,064	588,529
Less: accumulated amortization	(561,013)	(508,444)
	<u>36,051</u>	<u>80,085</u>
Prepaid expenses	4,783	7,192
	<u>40,834</u>	<u>87,277</u>
Accumulated Surplus	<u>\$ -</u>	<u>\$ -</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, 2014

	2014	2013
Receipts		
Assessments	\$ 1,670,042	\$ 1,686,785
Interest	10,883	9,217
Other	194	1,600
	<u>1,681,119</u>	<u>1,697,602</u>
Operating disbursements		
Wages, benefits and other employee costs	764,928	814,194
Retirement allowances expense (note 9)	-	114,526
Interest and bank charges	2,043	1,681
Rent	129,768	129,483
Amortization expense	79,465	85,983
Office expenses	15,409	16,700
Audit and accounting	17,327	16,750
Consulting services	4,353	11,467
Training and education	27,450	38,161
Telecommunications	25,180	24,769
Equipment leases	5,512	5,512
Communications and community support	15,623	11,908
Meetings and conferences	13,456	12,563
Insurance	1,507	1,494
	<u>1,102,021</u>	<u>1,285,191</u>
Regulatory disbursements		
Board compensation	109,500	91,804
Board member training & education	21,611	18,304
Board member meetings & conferences	13,143	11,576
Travel	7,455	1,585
Advertising	2,643	475
Actuarial services	367,608	265,347
Hearing expenses	25,572	6,957
Legal	31,566	16,363
	<u>579,098</u>	<u>412,411</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, 2014

	2014	2013
Cash provided by (used in):		
Operations		
Excess of receipts over disbursements	\$ -	\$ -
Items not involving an outlay of cash:		
Loss (gain) on disposal of equipment	364	(583)
Amortization expense	79,465	85,983
	79,829	85,400
Decrease (increase) in accounts receivable	15,689	(30,349)
Decrease (increase) in HST recoverable	(12,036)	31,950
Decrease (increase) in prepaid expenses	2,409	4,513
Increase (decrease) in accounts payable	46,762	(104,242)
Increase (decrease) in employee deductions payable	(1,507)	7,265
Increase (decrease) in retirement allowances payable	(114,526)	114,526
Increase (decrease) in deferred revenue	191,890	169,121
	208,510	278,184
Investing		
Purchase of property, plant and equipment	(38,903)	(32,081)
Proceeds on the disposal of equipment	3,108	762
	(35,795)	(31,319)
Increase in cash	172,715	246,865
Cash, beginning of year	1,846,561	1,599,696
Cash, end of year	\$ 2,019,276	\$ 1,846,561

See accompanying notes to financial statements

New Brunswick Insurance Board

Notes to Financial Statements
For the year ended March 31, 2014

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) 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 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.(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 Board 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 Board determined that this would better reflect the useful lives of the vehicles being amortized.

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.

(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 Board 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, 2014

3. Property, plant and equipment

	Cost	2014		2013	
		Accumulated Amortization	Net book Value	Net book Value	Net book Value
Computer equipment	\$ 164,625	\$ 159,938	\$ 4,687	\$ 11,889	
Computer software	115,213	112,924	2,289	17,322	
Systems software	183,190	183,190	-	36,638	
Vehicle	28,630	7,157	21,473	3,420	
Leasehold improvements	9,718	7,143	2,575	4,519	
Furniture and fixtures	95,688	90,661	5,027	6,297	
	\$ 597,064	\$ 561,013	\$ 36,051	\$ 80,085	

4. Future employee benefits

Pension Plan:

Prior to January 1, 2014:

The employees of the Board participated in a contributory defined benefit pension plan, administered by the Province of New Brunswick and the Public Service Superannuation Act. The plan provided 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. Any shortfall in the funding of the plan was guaranteed by the Province of New Brunswick, which was the sponsor of the plan.

Effective January 1, 2014:

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

For the year ending March 31, 2014, the Board's pension contributions amounted to \$67,895 (2013: \$57,773).

New Brunswick Insurance Board

Notes to Financial Statements
For the year ended March 31, 2014

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 the 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, 2013 - 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, 2014 - December 31, 2014: \$ 4,134

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. Related party transactions

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

8. Financial instruments

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, 2014 is as follows:

Cash	\$	2,019,276
Accounts receivable		25,550
	\$	<u>2,044,826</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 transactions between the Board and the insurance companies.

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2014

8. Financial instruments (continued)

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 of the fiscal year start 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.

Management believes concentrations of interest rate risk with respect to investments is limited due to the nature of the transactions between the Board and the insurance companies.

9. Retirement allowances

The Board follows the policy set out by the Province of New Brunswick regarding retirement allowances and has discontinued retirement allowances for all employees effective April 1, 2013.

Effective April 1, 2013, all employees with a continuous service date before April 1, 2011 were provided the option of:

- (a) receiving an immediate cash payout of retirement allowance, based on completed years of service and salary up to March 31, 2013; or,
- (b) deferring the payment of retirement allowance until retirement, based on completed years of service up to March 31, 2013 and salary at the time of retirement.

Employees had until September 30, 2013 to choose their preferred option. Each employee selected option (a) and received the cash payout in 2013.

10. Cash and cash equivalents

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