



New Brunswick Insurance Board

ANNUAL REPORT 2009

March 1, 2010

The Honourable Kelly Lamrock, Q.C.
Acting 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 Board 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 2009 calendar year. The report contains an overview of our activities for the year as well as our audited financial statements for the 2008-2009 fiscal year ending March 31, 2009.

Respectfully submitted,



Paul D'Astous
Chairman & CEO
New Brunswick Insurance Board

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Message from the Chair



I am pleased to present the 5th annual report of the New Brunswick Insurance Board for the year 2009. I would like to take this opportunity to report on the past year and some ongoing initiatives by the Board to better serve New Brunswick ratepayers through the regulation of the automobile insurance industry.

The Board is committed to fulfill its legislated mandate by providing just and reasonable regulation and decisions that protect the interests of all stakeholders.

This year the Board celebrated its 5th year of existence and I would like to highlight some of the accomplishments we witnessed during those five years. When the Board was established in October 2004, automobile insurance rates were on average \$1,121 per exposure. Today, rates approved for 2010 are on average \$742 per exposure. This represents average rate reductions of approximately 35.1% for combined mandatory coverage and optional coverage. These reductions compare very favourably with Nova Scotia at -26.9% and Newfoundland and Labrador at -12.8%.

From the inception of the Board, we have worked hard to implement internal policies that would create processes that reflect the working of administrative tribunals in a technology age. From electronic filings to videoconference appearances before the Board to electronic information management, the Board is very close to conducting all its business electronically. The Board is finalizing its data management system this year. Upon completion of this project, the Board will have evolved from manual paper filings to a state of the art fully electronic operation. Our investment in system technology is already showing considerable savings in our operational budget.

In recognition of the fiscal restraint measures introduced by the Government, the Board implemented a two-year wage freeze and revised its operating budget to reflect the economic realities that prevailed in 2009.

As leaders in the Canadian regulatory environment, the NBIB continues to play an important role within the Canadian Auto Insurance Rate Regulators (CARR) Association. The NBIB continues to build and foster relationships that allow for the transfer of best practices between jurisdictions.

The Board is also partnered with Teens Against Drinking and Driving (TADD). Since 2006, the Board raised over \$110,000 for TADD through our TADD Annual Charity Golf Classic. The Board is presently involved in creating the New Brunswick Teens Against Drinking and Driving Foundation. This Charitable Foundation will be responsible for the financial administration of funds dedicated to TADD.

The Board also initiated a two-part research project this year. The first part consisted in establishing the profitability of the private passenger automobile insurance market as a whole from 1998 to 2007. The results of this study show an overall profitability of the industry between 1998 and 2007 at 9.2% measured as return on equity. The study also shows that the 2008 pricing levels based on the first 6 months of data will achieve the expected return on equity.

The second part of the research project was designed to receive and analyze consumer knowledge of the automobile insurance market including perceptions of the current regulatory regime. This part started with focus group sessions designed to elicit feedback about automobile insurance, knowledge of the NBIB and its role and to gauge consumer desire for various potential regulatory outcomes. The Board will be in a position to share the results of this project later this year.

Finally, I want to acknowledge the part time Members of our Board. Automobile Insurance rate regulating is very challenging. Board members are asked to review complex actuarial concepts and render decisions that are just and reasonable for all parties. I take this opportunity to commend them for their dedication and commitment. I also want to thank our staff for their professional work. Their relentless commitment for achieving our objectives and mission are exemplary.



Paul D'Astous
Chairman & CEO



The Board

The New Brunswick Insurance Board (NBIB) is a quasi-judicial administrative tribunal established by the Government of New Brunswick in 2004 as the regulatory agency for automobile insurance rates 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. The Board, staff and actuaries review these filings in order to ensure the proposed rates are just and reasonable. The NBIB also fulfills a stewardship role and educates consumers on automobile insurance.

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

Members



Paul D'Astous
Chair



Vince Duff
Vice-Chair



Ferne Ashford



Armand Brun



Gerard Hall



Francine Kanhai



Al Kavanaugh



Yvon Landry



Jean Guy Richard



Matthew Tweedie

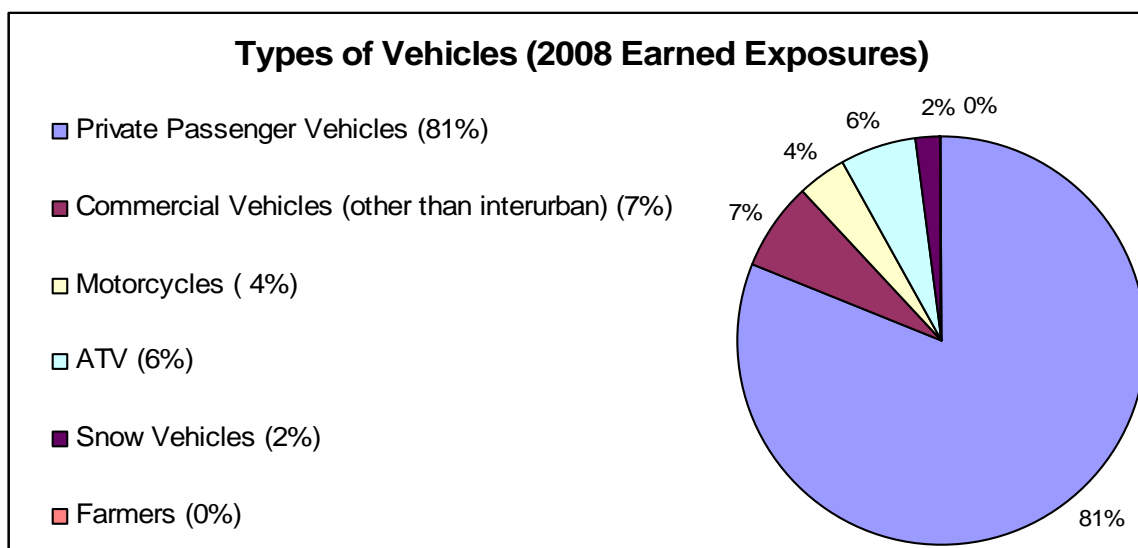
Mission

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
- Based on New Brunswick driver experience
- Based on New Brunswick company experience
- Based on comparison to other provinces in Atlantic Canada

New Brunswick Market

The following chart illustrates the breakdown of the automobile insurance market in New Brunswick.



Board Governance

The Chair is responsible for administering the *Insurance Act* 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.

In addition to the powers, functions and duties of the Board prescribed in the *Act*, the Board may investigate or inquire into any matter relating to rates of automobile insurance. 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. As such, the Board reviews rate applications as a full Board or as a panel of the Board.

Individual member panels met regularly to review various rate filings. The full Board convened five times in 2009:

1. January - Facility Association hearing (private passenger), IAO Actuarial Consulting Services Inc. hearing (commercial, miscellaneous and interurban)
2. May - Member training sessions and Facility Association hearing (commercial, miscellaneous and interurban)
3. August - Facility Association Cost of Capital Hearing on the application for the inclusion of a Cost of Capital in FA rates
4. September - Canadian Automobile Rate Regulators (CARR) Conference
5. October - Member training session and IAO Actuarial Consulting Services Inc. hearing (private passenger)



Accountability

By legislation, the NBIB is obligated to annually report its previous year's activities to the Minister of Justice by March 1. The Board also appears before the Standing Committee on Crown Corporations on an annual basis to report on its activities. Therefore, this report highlights activities and accomplishments during the 2009 calendar year.

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

The Year in Review

■ ANNUAL RATE APPLICATION FILINGS

In 2009, the Board received rate applications from industry, Facility Association and IAO Actuarial Consulting Services Inc. for private passenger vehicles and various types of commercial, miscellaneous and interurban vehicles.

The Board reviewed a total of 354 filings in 2009 which included:

- 47 for private passenger rate filings
- 27 for commercial vehicle rate filings
- 22 for interurban vehicle rate filings
- 226 for miscellaneous vehicles including, motorcycles, ATVs, snowmobiles, buses, taxis etc.
- 32 for other filings including: updating the rate group tables, proposed changes to endorsements and/or proposed changes to rating rules

■ PRIVATE PASSENGER 2010 RATE FILINGS

Insurance companies writing business in the standard market were required to file their proposed private passenger rates for 2010 by September 15, 2009. Hearings commenced in late fall and concluded January 2010.

As a result, the NBIB rendered 47 decisions on companies writing private passenger automobile insurance. For those writing standard risk automobile insurance in the province, the overall average rate reduction for 2010 will be one-half of one per cent, bringing the average rate to approximately \$742. These rates will become effective beginning in the first quarter of 2010. The decisions are available on the NBIB website.

■ 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 appeared before the Board on January 27, 2009 with proposed rates for commercial, miscellaneous and interurban vehicles. IAO appeared again before the Board on October 27, 2009 to present its application for private passenger rates for 2010. These decisions are available on the NBIB website.



■ FACILITY ASSOCIATION

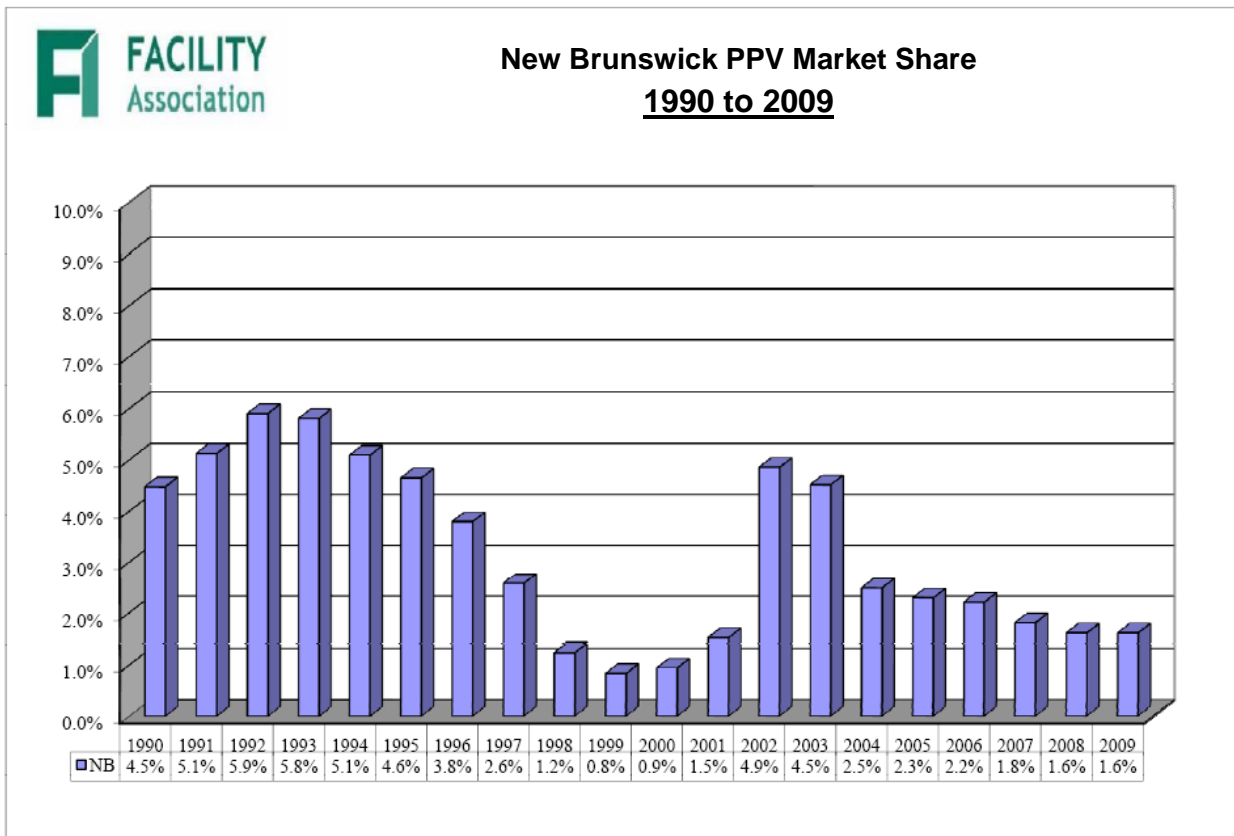
Facility Association (FA) is an association of all automobile insurance providers operating in New Brunswick. FA's mandate is to ensure the availability of auto insurance to all owners and operators of motor vehicles who would otherwise have difficulty in obtaining insurance. It is sometimes referred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

FA appeared before the Board at a public hearing on January 27, 2009 to present its application for proposed 2009 rates for private passenger vehicles. This decision is available on the NBIB website.

On September 1, 2009, FA appeared before the Board at a public hearing to consider the issue of inclusion of a cost of capital in the production of FA auto insurance rates. The Board decided in favour of allowing this cost of capital with added restrictions in place for other insurers operating in NB. The full decision is available on the NBIB website.

Over the past number of years, market share for FA has been declining and has now stabilized at 1.6 percent of the market on a vehicle basis. Current premiums collected represent approximately 8 percent of the total premiums collected in the New Brunswick marketplace. This is higher on a percentage basis than in 2008, however this is primarily due to continuing premium decreases in the standard market.

By Canadian standards, a residual market at two per cent or less is considered to be an indicator of a very healthy overall insurance market.



■ FILING GUIDELINES

The NBIB released revised filing guidelines for 2009-10 in March 2009. 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 NBIB 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 approval 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 regiment 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.

■ CANADIAN AUTO INSURANCE RATE REGULATOR (CARR) ASSOCIATION

The Newfoundland and Labrador Board of Commissioners of Public Utilities was host to the third annual Canadian Auto Insurance Rate Regulators (CARR) Association conference in St. John's, NL, September 27-30, 2009.

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, Harry Gough (Vice-Chair, Alberta Auto Insurance Rate Board); Vice-Chair, Paul D'Astous, (Chairman & CEO, New Brunswick Insurance Board), and six other representatives from across Canada.

■ PARTNERSHIPS

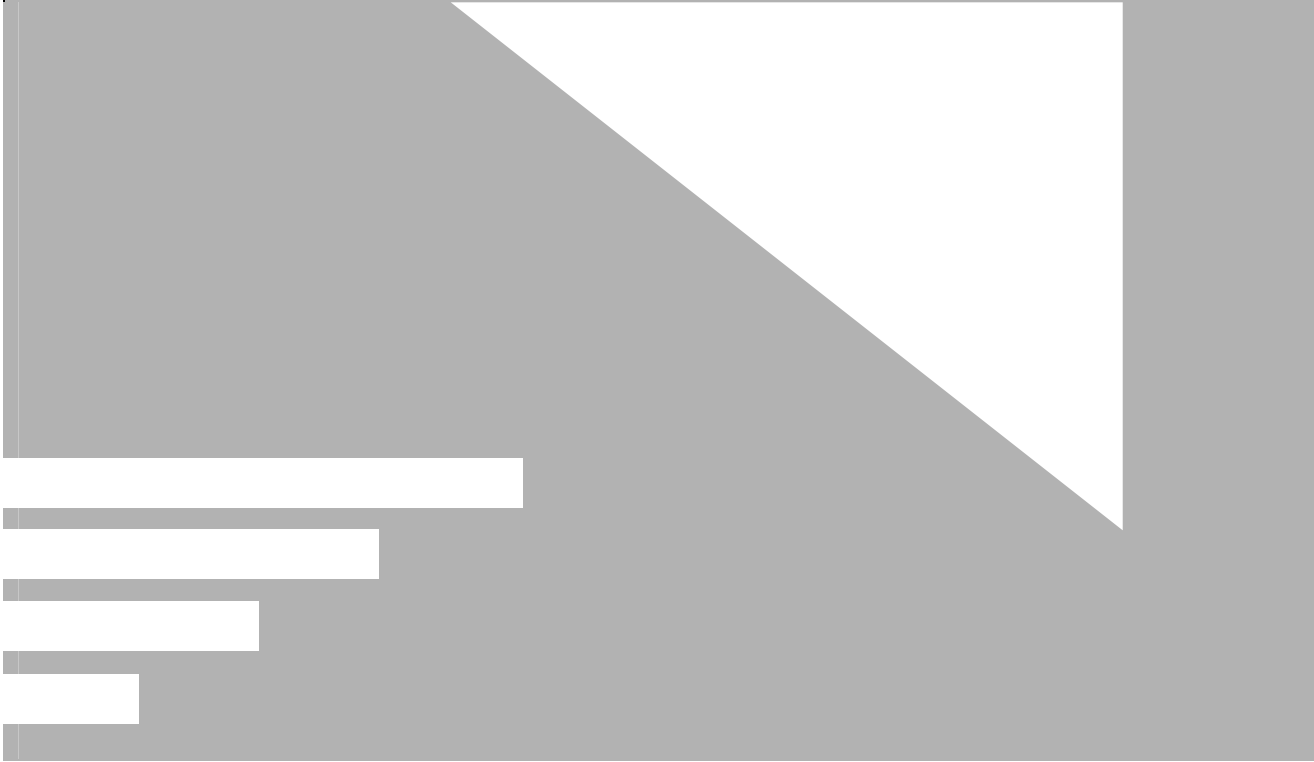
Teens Against Drinking and Driving (TADD)

The NBIB began supporting TADD in 2006 and has since raised over \$110,000 for the organization through its Annual TADD Charity Golf Classic. The third annual event was held on September 9, 2009 at the Sussex Golf and Curling Club.





APPENDIX A
Summary of 2009 Rate Decisions



RATE FILINGS

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
Allstate Insurance Company of Canada	Private Passenger		0.00%	2009 09 15	2010 01 11
	ATV	Personal Use	0.00%	2009 09 01	2009 09 02
	Motorhomes	Personal Use	-19.64%	2009 04 30	2009 07 08
	Snow Vehicles	Personal Use	0.00%	2009 09 01	2009 09 02
	Trailers	Personal Use	-31.58%	2009 04 30	2009 07 08
Arch Insurance Company	Private Passenger		Initial	2009 03 10	2009 04 21
	Private Passenger		0.00%	2009 11 30	2010 01 21
	Interurban		Initial	2009 03 10	2009 04 21
	Ambulances	Public Use	Initial	2009 03 10	2009 04 21
	ATV	Personal Use	Initial	2009 03 10	2009 04 21
	Buses	Public Use	Initial	2009 03 10	2009 04 21
	Snow Vehicles	Personal Use	Initial	2009 03 10	2009 04 21
	Taxis	Public Use	Initial	2009 03 10	2009 04 21
Aviva Insurance Company of Canada	Private Passenger		2.00%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 28	2009 06 03
	Interurban		0.00%	2009 04 28	2009 06 03
	Ambulances	Public Use	0.00%	2009 05 29	2009 07 20
	ATV	Personal Use	0.00%	2009 07 03	2009 07 08
	Motorcycles	Personal Use	0.00%	2009 07 03	2009 07 08
	Motorhomes	Personal Use	0.00%	2009 07 03	2009 07 08
	Private Buses	Public Use	-40.88%	2009 05 29	2009 07 20
	Public Buses	Public Use	0.00%	2009 05 29	2009 07 20
	School Buses	Public Use	0.00%	2009 05 29	2009 07 20
	Snow Vehicles	Personal Use	0.00%	2009 07 03	2009 07 08
	Taxis	Public Use	0.00%	2009 05 29	2009 07 20
	Trailers & Camper Units	Personal Use	0.00%	2009 07 03	2009 07 08
AXA Insurance (Canada)	Private Passenger		-4.50%	2009 09 15	2010 01 11
	Commercial		10.19%	2009 05 29	2009 07 06
	Interurban		0.00%	2009 08 03	2009 11 16
	ATV	Personal Use	7.43%	2009 08 05	2009 11 16
	Funeral Vehicle Class 75	Public Use	0.00%	2009 08 04	2009 11 10
	Motorcycles	Personal Use	3.57%	2009 08 05	2009 11 16
	Motorhomes	Personal Use	-60.71%	2009 08 05	2009 11 16
	Snow Vehicles	Personal Use	7.25%	2009 08 05	2009 11 16
	Trailers & Camper Units	Personal Use	-14.07%	2009 08 05	2009 11 16
CAA Insurance Company (Ontario)	Private Passenger		-1.23%	2009 09 15	2010 01 11
Co-operators General Insurance Company	Private Passenger		-0.67%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 08	2009 06 03

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Interurban		0.00%	2009 04 08	2009 06 03
	Antiques	Personal Use	0.00%	2009 04 08	2009 06 03
	ATV	Personal Use	0.00%	2009 04 08	2009 06 03
	ATV	Personal Use	-1.11%	2009 07 16	2009 10 26
	Mopeds	Personal Use	0.00%	2009 04 08	2009 06 03
	Mopeds	Personal Use	0.00%	2009 07 16	2009 10 26
	Motorcycles	Personal Use	0.00%	2009 04 08	2009 06 03
	Motorcycles	Personal Use	-2.57%	2009 07 16	2009 10 26
	Motorhomes	Personal Use	0.00%	2009 04 08	2009 06 03
	Motorhomes	Personal Use	-0.27%	2009 07 16	2009 10 26
	Private Buses	Public Use	0.00%	2009 04 08	2009 06 03
	School Buses	Public Use	0.00%	2009 04 08	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 08	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 08	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 07 16	2009 10 26
Coseco Insurance Company	Private Passenger		0.00%	2009 09 15	2010 01 21
	ATV	Personal Use	0.00%	2009 05 29	2009 07 09
	Mopeds	Personal Use	0.00%	2009 05 29	2009 07 09
	Motorcycles	Personal Use	3.42%	2009 05 29	2009 08 18
	Motorhomes	Personal Use	0.00%	2009 05 29	2009 07 09
	Snow Vehicles	Personal Use	0.00%	2009 05 29	2009 07 09
	Trailers & Camper Units	Personal Use	0.00%	2009 05 29	2009 07 09
Cumis General Insurance Company	Private Passenger		0.00%	2009 09 15	2010 01 21
	ATV	Personal Use	0.00%	2009 05 29	2009 06 11
	Mopeds	Personal Use	0.00%	2009 05 29	2009 06 11
	Motorcycles	Personal Use	1.96%	2009 05 29	2009 08 18
	Motorhomes	Personal Use	0.00%	2009 05 29	2009 06 11
	Snow Vehicles	Personal Use	0.00%	2009 05 29	2009 06 11
	Trailers & Camper Units	Personal Use	0.00%	2009 05 29	2009 06 11
The Dominion of Canada General Insurance Company	Private Passenger		0.49%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 30	2009 06 03
	Commercial		-0.70%	2009 09 04	2010 01 25
	Interurban		0.00%	2009 04 30	2009 06 03
	Ambulances	Public Use	0.00%	2009 04 30	2009 06 03
	Antiques & Classics	Personal Use	7.34%	2009 04 30	2009 07 08
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Funeral Carriages	Public Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03



Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Private Buses	Public Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Taxis	Public Use	0.00%	2009 04 30	2009 06 03
	Trailers	Personal Use	0.00%	2009 04 30	2009 06 03
Echelon General Insurance Company	Commercial		Initial	2009 01 13	2009 04 20
Economical Mutual Insurance Company	Private Passenger		-4.40%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 30	2009 06 03
	Interurban		0.00%	2009 05 29	2009 06 11
	All Other Personal Vehicles	Personal Use	-0.10%	2009 05 29	2009 08 18
	ATV	Personal Use	0.00%	2009 05 29	2009 08 18
	Motorcycles	Personal Use	0.00%	2009 05 29	2009 08 18
	Private Buses	Public Use	0.00%	2009 05 29	2009 06 11
	Snow Vehicles	Personal Use	0.00%	2009 05 29	2009 08 18
Elite Insurance Company	Private Passenger		-7.49%	2009 03 27	2009 04 30
	Antiques & Classics	Personal Use	0.00%	2009 03 09	2009 06 03
	Customs	Personal Use	0.00%	2009 03 09	2009 06 03
	Motorcycles	Personal Use	6.00%	2009 03 18	2009 06 08
	Motorhomes	Personal Use	0.00%	2009 03 09	2009 06 03
	Trailers	Personal Use	0.00%	2009 03 09	2009 06 03
Facility Association	Private Passenger		-9.85%	2008 11 17	2009 02 03
Federated Insurance Company of Canada	Private Passenger		0.00%	2009 09 15	2010 01 21
	Commercial		0.00%	2009 04 14	2009 06 03
	Interurban		0.00%	2009 04 14	2009 06 03
	ATV	Personal Use	14.00%	2009 11 26	2010 01 28
	Motorcycles	Personal Use	7.34%	2009 11 26	2010 01 28
	Motorhomes	Personal Use	-25.00%	2009 11 26	2010 01 28
	Snow Vehicles	Personal Use	10.50%	2009 11 26	2010 01 28
	Trailers & Camper Units	Personal Use	0.00%	2009 11 26	2010 01 28
Federation Insurance Company of Canada	Private Passenger		-4.30%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 30	2009 06 03
	Interurban		0.00%	2009 05 29	2009 06 11
	All Other Personal Vehicles	Personal Use	0.00%	2009 05 29	2009 06 11
	ATV	Personal Use	-21.54%	2009 05 29	2009 08 18
	Motorcycles	Personal Use	-18.00%	2009 05 29	2009 08 18
	Snow Vehicles	Personal Use	0.00%	2009 05 29	2009 06 11
IAO Actuarial Consulting Services Inc.	Private Passenger		-6.97%	2009 09 10	2010 01 05
	Commercial		7.27%	2008 11 17	2009 03 02

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Interurban		7.27%	2008 11 17	2009 03 02
	Miscellaneous	Personal Use	11.09%	2008 11 17	2009 03 02
	Miscellaneous	Public Use	-4.78%	2008 11 17	2009 03 02
Insurance Company of Prince Edward Island	Private Passenger		1.34%	2009 09 15	2010 01 25
	Commercial		0.00%	2009 04 28	2009 06 03
	Interurban		0.00%	2009 04 28	2009 06 03
Intact Insurance Company	Private Passenger		0.37%	2009 09 15	2010 01 11
	Commercial		5.08%	2009 05 19	2009 09 22
	Interurban		7.15%	2009 06 10	2009 07 20
	Antiques & Classics	Personal Use	0.00%	2009 04 14	2009 06 03
	ATV	Personal Use	0.00%	2009 04 14	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 14	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 14	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 14	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 14	2009 06 03
Kingsway General Insurance Company	Interurban		0.00%	2009 05 12	2009 06 03
Lombard General Insurance Company of Canada	Private Passenger		-6.24%	2009 11 30	2010 01 25
	Commercial		0.78%	2009 06 26	2009 07 20
	Interurban		10.64%	2009 06 26	2009 07 20
	All Other Personal Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	All Other Public Vehicles	Public Use	0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Taxis	Public Use	0.00%	2009 04 30	2009 06 03
Lombard Insurance Company	Private Passenger		-8.04%	2009 11 30	2010 01 25
	Commercial		0.00%	2009 06 26	2009 07 20
	Interurban		0.00%	2009 06 26	2009 07 20
	All Other Personal Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	All Other Public Vehicles	Public Use	0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Taxis	Public Use	0.00%	2009 04 30	2009 06 03
Markel Insurance Company of Canada	Commercial		0.00%	2009 04 28	2009 06 03
	Commercial		8.30%	2009 06 26	2009 12 03
	Interurban		0.00%	2009 04 28	2009 06 03



Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Interurban		0.00%	2009 04 28	2009 06 03
	Interurban		9.80%	2009 06 26	2009 12 03
Novex Insurance Company	Private Passenger		2.50%	2009 09 15	2010 01 12
	Antiques & Classics	Personal Use	0.00%	2009 04 14	2009 06 03
	ATV	Personal Use	0.00%	2009 04 14	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 14	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 14	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 14	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 14	2009 06 03
Pafco Insurance Company	Private Passenger		-14.64%	2009 03 30	2009 04 30
Pembridge Insurance Company	Private Passenger		0.00%	2009 09 15	2010 01 11
	ATV	Personal Use	0.00%	2009 09 01	2009 09 02
	Motorhomes	Personal Use	50.00%	2009 04 30	2009 07 08
	Snow Vehicles	Personal Use	0.00%	2009 09 01	2009 09 02
	Trailers	Personal Use	-29.58%	2009 04 30	2009 07 08
The Personal Insurance Company	Private Passenger		0.00%	2009 09 15	2010 01 11
	ATV	Personal Use	0.00%	2009 05 20	2009 06 03
	Mopeds	Personal Use	0.00%	2009 05 20	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 05 20	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 05 20	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 05 20	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 05 20	2009 06 03
Perth Insurance Company	All Other Personal Vehicles	Personal Use	0.00%	2009 05 29	2009 08 18
	ATV	Personal Use	0.00%	2009 05 29	2009 08 18
	Motorcycles	Personal Use	0.00%	2009 05 29	2009 08 18
	Snow Vehicles	Personal Use	0.00%	2009 05 29	2009 08 18
The Portage la Prairie Mutual Insurance Company	Private Passenger		1.60%	2009 09 15	2010 01 11
	Commercial		-22.83%	2009 06 03	2009 11 10
Primum Insurance Company	Private Passenger		0.30%	2009 07 21	2010 01 21
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers	Personal Use	0.00%	2009 04 30	2009 06 03
Promutuel des Riverains	Private Passenger		-0.43%	2009 11 30	2010 01 21
	Commercial		0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 06 01	2009 08 18
Promutuel Gaspésie - Les Îles	Private Passenger		-1.04%	2009 11 30	2010 01 21
	Commercial		0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 06 01	2009 08 18
RBC General Insurance Company	Private Passenger		0.18%	2009 09 15	2010 01 21
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 30	2009 06 03
RBC Insurance Company of Canada	Private Passenger		Initial	2008 12 23	2009 04 20
	Private Passenger		0.18%	2009 09 15	2010 01 11
	ATV	Personal Use	Initial	2009 02 19	2009 04 20
	Motorcycles	Personal Use	Initial	2009 02 19	2009 04 20
	Motorhomes	Personal Use	Initial	2009 02 19	2009 04 20
	Snow Vehicles	Personal Use	Initial	2009 02 19	2009 04 20
	Trailers & Camper Units	Personal Use	Initial	2009 02 19	2009 04 20
Royal & Sun Alliance Insurance Company of Canada	Private Passenger		1.10%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 03	2009 06 03
	Interurban		0.00%	2009 04 03	2009 06 03
	All Public Vehicles	Public Use	0.00%	2009 04 03	2009 06 03
	Antiques & Classics	Personal Use	0.00%	2009 04 23	2009 06 03
	ATV	Personal Use	0.00%	2009 04 23	2009 06 03
	Motorcycles & Mopeds	Personal Use	0.00%	2009 04 23	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 23	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 23	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 23	2009 06 03
Scottish & York Insurance Company Limited	Private Passenger		2.00%	2009 09 15	2010 01 21
Security National Insurance Company	Private Passenger		2.40%	2009 07 21	2010 01 11
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03



Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 30	2009 06 03
The Sovereign General Insurance Company	Private Passenger		-2.10%	2009 11 30	2010 01 21
	Commercial		0.00%	2009 04 30	2009 06 03
	Interurban		0.00%	2009 04 30	2009 06 03
	All Other Personal Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	All Other Public Vehicles	Public Use	0.00%	2009 04 30	2009 06 03
	Ambulances	Public Use	0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Private Buses	Public Use	0.00%	2009 04 30	2009 06 03
	Public Buses	Public Use	0.00%	2009 04 30	2009 06 03
	School Buses	Public Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Taxis	Public Use	0.00%	2009 04 30	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 30	2009 06 03
State Farm Mutual Automobile Insurance Company - Plan A	Private Passenger		0.00%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 30	2009 06 03
	Interurban		0.00%	2009 05 15	2009 06 03
	All Other Personal Vehicles	Personal Use	0.00%	2009 05 15	2009 06 03
	ATV	Personal Use	0.00%	2009 05 15	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 05 15	2009 06 03
	Motorcycles	Personal Use	-1.60%	2009 06 30	2009 08 18
	School Buses	Public Use	0.00%	2009 05 15	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 05 15	2009 06 03
State Farm Mutual Automobile Insurance Company - Plan B	Private Passenger		0.00%	2009 09 15	2010 01 21
	Commercial		0.00%	2009 04 30	2009 06 03
	Interurban		0.00%	2009 05 15	2009 06 03
	All Other Personal Vehicles	Personal Use	0.00%	2009 05 15	2009 06 03
	ATV	Personal Use	0.00%	2009 05 15	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 05 15	2009 06 03
	Motorcycles	Personal Use	-1.60%	2009 06 30	2009 08 18
	Snow Vehicles	Personal Use	0.00%	2009 05 15	2009 06 03
TD Home & Auto Insurance Company	Private Passenger		4.64%	2009 07 21	2010 01 11
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
	Trailers & Camper Units	Personal Use	0.00%	2009 04 30	2009 06 03
Tokio Marine & Nichido Fire Insurance Co., Ltd	Private Passenger		0.00%	2009 11 30	2010 01 25
	Commercial		0.00%	2009 06 26	2009 07 20
	Interurban		0.00%	2009 06 26	2009 07 20
	All Other Personal Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	All Other Public Vehicles	Public Use	0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Taxis	Public Use	0.00%	2009 04 30	2009 06 03
Traders General Insurance Company	Private Passenger		2.00%	2009 09 15	2010 01 11
Trafalgar Insurance Company of Canada	Private Passenger		1.49%	2009 09 15	2010 01 12
	Antiques & Classics	Personal Use	0.00%	2009 04 14	2009 06 03
	ATV	Personal Use	0.00%	2009 04 14	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 14	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 14	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 14	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 14	2009 06 03
Unifund Assurance Company	Private Passenger		0.00%	2009 09 15	2010 01 11
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorhomes	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers & Camper Units	Personal Use	0.00%	2009 04 30	2009 06 03
United General Insurance Company	Private Passenger		-2.83%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 27	2009 06 03
Waterloo Insurance Company	Private Passenger		-4.40%	2009 09 15	2010 01 21
	All Other Personal Vehicles	Personal Use	0.00%	2009 05 29	2009 08 18
	ATV	Personal Use	0.00%	2009 05 29	2009 08 18
	Motorcycles	Personal Use	0.00%	2009 05 29	2009 08 18
	Snow Vehicles	Personal Use	0.00%	2009 05 29	2009 08 18
The Wawanesa Mutual Insurance Company	Private Passenger		0.78%	2009 09 15	2010 01 11
	Commercial		0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	Trailers	Personal Use	0.00%	2009 04 30	2009 06 03



Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of filing	Date of Decision
Zenith Insurance Company	Private Passenger		-6.31%	2009 11 30	2010 01 25
	All Other Personal Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 04 30	2009 06 03
	Motorcycles	Personal Use	0.00%	2009 04 30	2009 06 03
	Snow Vehicles	Personal Use	0.00%	2009 04 30	2009 06 03
Zurich Insurance Company	Private Passenger		-3.27%	2009 11 30	2010 01 21
	Commercial		1.32%	2009 06 01	2009 07 20
	Interurban		3.06%	2009 06 01	2009 07 20
	All Other Public Vehicles	Public Use	0.00%	2009 06 01	2009 07 20
	Ambulances	Public Use	0.00%	2009 06 01	2009 07 20
	Antiques	Personal Use	0.00%	2009 04 30	2009 06 03
	ATV	Personal Use	0.00%	2009 06 01	2009 07 20
	Fire Department Vehicles	Public Use	0.00%	2009 06 01	2009 07 20
	Funeral Carriages	Public Use	0.00%	2009 06 01	2009 07 20
	Motorcycles	Personal Use	0.00%	2009 06 01	2009 07 20
	Motorhomes	Personal Use	0.00%	2009 06 01	2009 07 20
	Police Vehicles	Public Use	-2.55%	2009 06 01	2009 07 20
	Public Buses	Public Use	0.00%	2009 06 01	2009 07 20
	School Buses	Public Use	5.37%	2009 06 01	2009 07 20
	Snow Vehicles	Personal Use	0.00%	2009 06 01	2009 07 20
	Taxis	Public Use	0.00%	2009 06 01	2009 07 20
	Trailers	Personal Use	0.00%	2009 06 01	2009 07 20

OTHER FILINGS

Insurance Companies	Vehicle Class	Vehicle Type	Date of filing	Date of Decision
Aviva Insurance Company of Canada	Private Passenger	rate group change	2009 06 18	2009 07 02
	Commercial	rate group change	2009 07 14	2009 08 12
AXA Insurance (Canada)	Commercial	endorsement	2009 07 03	2009 08 17
CAA Insurance Company (Ontario)	Private Passenger	endorsement	2009 05 11	2009 05 21
Coseco Insurance Company	Private Passenger	endorsement	2009 01 23	2009 04 06
The Dominion of Canada General Insurance Company	Private Passenger	rating rule change	2008 12 30	2009 02 24
Economical Mutual Insurance Company	Commercial	rating rule change	2009 06 19	2009 06 25
Elite Insurance Company	Private Passenger	rate group change	2009 06 19	2009 06 29
	Motorcycles	endorsement	2009 01 07	2009 03 09
Facility Association	Private Passenger	U/W rule change	2009 01 26	2009 02 10
	Commercial	U/W rule change	2009 01 26	2009 02 10
	Miscellaneous	U/W rule change	2009 01 26	2009 02 10
Insurance Company of Prince Edward Island	Private Passenger	rate group change	2009 06 16	2009 06 29
	Commercial	rate group change	2009 06 16	2009 06 30

Insurance Companies	Vehicle Class	Vehicle Type	Date of filing	Date of Decision
	Interurban	rate group change	2009 06 16	2009 06 30
Intact Insurance Company	Commercial	rate group change	2009 10 16	2009 11 09
Pembridge Insurance Company	Private Passenger	rating rule change	2009 05 15	2009 06 29
The Personal Insurance Company	Private Passenger	endorsement	2009 07 20	2009 08 17
	Private Passenger	rate group update	2009 08 17	2009 09 17
	Private Passenger	rating rule change	2009 08 17	2009 09 17
Primum Insurance Company	Snow Vehicles	U/W rule change	2009 07 16	2009 08 17
Promutuel des Riverains	Commercial	U/W rule change	2009 04 30	2009 07 06
Promutuel Gaspésie - Les Îles	Commercial	U/W rule change	2009 04 30	2009 07 06
RBC General Insurance Company	Private Passenger	rating rule change	2009 07 23	2009 09 17
Royal & Sun Alliance Insurance Company of Canada	Commercial	rate group change	2009 09 16	2009 10 22
	ATV	rating rule change	2009 09 22	2010 01 04
	Snow Vehicles	rating rule change	2009 09 22	2010 01 04
Security National Insurance Company	Snow Vehicles	U/W rule change	2009 07 16	2009 08 17
State Farm Mutual Automobile Insurance Company - Plan A	Private Passenger	rate group change	2009 12 10	2009 12 15
State Farm Mutual Automobile Insurance Company - Plan B	Private Passenger	rate group change	2009 12 10	2009 12 15
TD Home & Auto Insurance Company	Snow Vehicles	U/W rule change	2009 07 16	2009 08 17
Traders General Insurance Company	Private Passenger	rate group change	2009 06 19	2009 07 07





APPENDIX B
2008-2009 Fiscal Year Audited Financial Statements
(to March 31, 2009)



Peter G. Gaulton Professional Corporation
Chartered Accountant
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AUDITOR'S REPORT

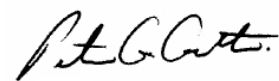
To the members of New Brunswick Insurance Board:

I have audited the statement of financial position of the New Brunswick Insurance Board as at March 31, 2009 and the statements of operations and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board, as well as, evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2009 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Saint John, NB
June 19, 2009



Chartered Accountant

New Brunswick Insurance Board

Statement of Financial Position

As at March 31, 2009

	2009	2008
Assets		
Current:		
Cash in bank	\$ 353,908	\$ 298,303
Scotiabank GIC's (1-year cashable; 0.96%)	1,500,000	1,200,000
Accounts receivable	10,194	269,548
Accrued interest receivable	1,501	396
Harmonized sales tax recoverable	178,548	56,594
Prepaid expenses	8,761	5,381
	<u>2,052,912</u>	<u>1,830,222</u>
Property, Plant and Equipment (note 3)	208,072	181,137
Less: accumulated amortization	(152,890)	(111,276)
	<u>55,182</u>	<u>69,861</u>
	<u>\$ 2,108,094</u>	<u>\$ 1,900,083</u>
Liabilities		
Current:		
Accounts payable and accrued liabilities	\$ 132,786	\$ 64,500
Deferred assessments (note 6)	1,975,308	1,835,583
	<u>2,108,094</u>	<u>1,900,083</u>
Net assets		
	-	-
	<u>\$ 2,108,094</u>	<u>\$ 1,900,083</u>

Future employee benefits (note 4) Commitments (note 5) Use of estimates (note 7) Financial instruments (note 8)

Approved by the Board:


 _____ Chairperson


 _____ Vice-Chairperson



New Brunswick Insurance Board

Statement of Operations and Surplus
For the year ended March 31, 2009

	2009	2008
Receipts		
Assessments	\$ 1,937,012	\$ 1,735,700
Interest	20,095	31,196
	1,957,107	1,766,896
Disbursements		
Wages, benefits and other employee costs	612,734	587,277
Board compensation	90,355	79,313
Interest and bank charges	1,683	2,059
Travel	23,628	25,454
Advertising	3,467	6,479
Actuarial services	544,324	612,095
Rent	123,425	119,179
Amortization expense	41,615	37,372
Office expenses	21,606	40,993
Audit, legal and accounting	41,716	56,120
Systems redesign project	229,936	-
Training and education	98,881	52,535
Telecommunications	25,769	17,940
Rentals	5,309	8,388
Equipment leases	18,789	18,515
Communications and community support	30,233	25,984
Meetings and conferences	23,114	19,799
Insurance	1,449	1,348
IT support	19,074	16,679
Canadian Automobile Insurance Rate Regulators conference	-	39,367
	1,957,107	1,766,896
Net of receipts and disbursements	NIL	NIL
Net assets, beginning of year	NIL	NIL
Net assets, end of year	\$ NIL	\$ NIL

New Brunswick Insurance Board

Statement of Cash Flows

For the year ended March 31, 2009

	2009	2008
Cash provided by (used in):		
Operations		
Excess of receipts over disbursements	\$ -	\$ -
Item not involving an outlay of cash		
Amortization expense	41,615	37,372
	41,615	37,372
Decrease (increase) in accounts receivable	259,355	(269,548)
Decrease (increase) in accrued interest receivable	(1,105)	2,970
Decrease (increase) in HST recoverable	(121,955)	47,657
Decrease (increase) in prepaid expenses	(3,380)	4,537
Increase (decrease) in accounts payable	68,286	(203,538)
Increase (decrease) in due to employee	-	(25,361)
Increase (decrease) in capital lease obligation	-	(1,145)
Increase (decrease) in deferred revenue	139,725	(55,968)
	382,541	(463,024)
Investing		
Purchase of office equipment	(26,936)	(15,734)
Purchase of Scotiabank GIC's	(1,500,000)	(1,200,000)
GIC's redeemed	1,200,000	1,750,000
	(326,936)	534,266
Increase (decrease) in cash	55,605	71,242
Cash, beginning of year	298,303	227,061
Cash, end of year	\$ 353,908	\$ 298,303
Interest paid during the year	\$ -	\$ -

See accompanying notes to financial statements



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2009

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, GIC's, accounts receivable, accrued interest receivable, HST recoverable, prepaid expenses, accounts payable and accrued liabilities, and employee deductions payable. The carrying value of the financial instruments approximates their fair value due to their nature or capacity for prompt liquidation. It is the management's opinion that the Board is not exposed to significant interest rate, currency or credit risks arising from these financial instruments (see note 8).

3. Property, plant and equipment

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 75,679	\$ 63,755	\$ 11,924	\$ 24,360
Computer software	23,490	9,348	14,142	12,036
Vehicle	20,161	16,129	4,032	8,064
Leasehold improvements	3,399	1,037	2,362	1,428
Furniture and fixtures	85,343	62,621	22,722	23,973
	\$ 208,072	\$ 152,890	\$ 55,182	\$ 69,861



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2009

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 \$44,320 (2008: \$44,857). 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 5 years. The minimum annual payments under the lease terms are as follows:

April 1, 2009 - December 31, 2010:	\$	74,152
January 1, 2011 - December 31, 2015:	\$	132,596

The Board negotiated several operating leases of its computer equipment and a photocopier for a period of 40 months and 36 months, respectively, commencing June 1, 2006. The minimum annual payments under the lease terms are as follows:

April 1, 2009 - March 31, 2010:	\$	15,173
April 1, 2010 - March 31, 2011:	\$	1,771

6. Deferred assessments

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 represents 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.



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2009

8. 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 for 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
Investments - GIC's	Held for trading	Fair value
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 of 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	
Measurement at amortized cost					
Accounts receivable	X				
Accounts payable and accrued liabilities		X			
Measurement at fair value					
Cash on deposit	X			X	
Investments	X	X		X	



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2009

8. 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, 2009 is as follows:

Cash	\$	353,908
Accounts receivable		10,194
Canadian fixed income investments		1,500,000
	\$	1,864,102

Cash and investments: Credit risk associated with cash and Canadian fixed income 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 that 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 with fluctuate due to changes in market interest rates.

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

