
NEW BRUNSWICK INSURANCE BOARD

To: **All Insurers Transacting Business in New Brunswick**
Bulletin: **Information Bulletin NBIB 2007-2**
Subject: **Annual Rate Filings, Territories and Dislocation due to Removal of Gender**
Date: **June 30, 2007**

The New Brunswick Government has recently introduced a new 11 territory statistical rating system. This bulletin will outline for insurers, the guidelines for the transition from the current 4 territories to the new 11 territories (see attached map and list of FSA codes). **Effective January 1, 2008 companies will no longer be able to use the existing territories for rate making. For statistical reporting, please defer to any directions issued by GISA.** The Board acknowledges that this transition cannot be completed in one year and therefore is requiring industry to include in the 2008 private passenger vehicle filing the plan for the transition towards the new territories. Companies should have received data from IBC for the 3.5 years of data under the new territorial definition to assist them and IAO will be providing their analysis to subscribers upon request.

In order for companies to manage the transition, filing deadlines have been extended on private passenger vehicles to October 1, 2007 with effective dates January 1, 2008 for new business and March 1, 2008 for renewals. Please file the annual filing using the Rate Filing Requirements (RFR-1) with the following Appendices added.

Appendix B should include:

- Confirmation of the proposed implementation date for each of new and renewal business
- The proposed plan to manage the transition to new territories.
- Proposed date when company expects transition to be completed. The Board expects that this process should be complete within 36 months and no later than 60 months
- Exhibit 1 complete for territorial changes only
- Map of proposed new territories effective Jan 1, 2008
- Dislocation due to territorial changes in this filing
- Companies are asked to review Section k Territorial Indications from Rate Filing requirements (RFR-1) when planning on migrating to the newly created territories.
- The Board expects any changes to territories overall to be revenue neutral.

These are guidelines only to help transition to the new 11 territories, and do not take precedence over already established Board guidelines or rules.

The Board will also be looking at the impact of the removal of gender. Regulation 2007-9 came into force March 1, 2007 prohibiting the use of gender as a rating criterion. Insurers were ordered not to balance back to the inexperienced drivers at the time of this change. Now that companies will be filing for rate changes, the Board would like to review how the removal of gender will affect rates in 2008, therefore:

Appendix C should include:

- Exhibit I indicated what rate change is attributed to the removal of gender.
- a dislocation table be completed for the expected impact on experienced drivers and inexperienced drivers

Please complete one set of profiles inclusive of all proposed changes.

Three (3) Exhibit 1's need to be completed:

1. with new statistical territories for annual filing
2. territorial changes only
3. how removal of gender is affecting proposed rates