



New Brunswick Insurance Board
ANNUAL REPORT 2008



March 1, 2009

The Honourable Thomas J. Burke, Q.C.
Minister of Justice and Consumer Affairs
Province of New Brunswick
PO Box 6000
Fredericton, NB
E3B 5H1

Dear Minister:

On behalf of the 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 2008 calendar year. The report contains an overview of our activities for the year as well as our audited financial statements for the 2007-2008 fiscal year ending March 31, 2008.

Respectfully submitted,



Paul D'Astous
Chairman & CEO
New Brunswick Insurance Board

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Message from the Chair



On behalf of the New Brunswick Insurance Board, I am pleased to report that 2008 was another successful year. We worked diligently to make ongoing improvements to the regulatory process. These improvements contribute to the fulfillment of our mandate to provide fair regulation of automobile insurance for both consumers and industry.

As we reflect on the events of 2008, there are a number of accomplishments I would like to highlight. Overall in 2008, the Board rendered decisions on a total of 194 filings, encompassing private passenger, commercial, miscellaneous and interurban vehicles. Among the 194 filings, the Board made 49 decisions for private passenger vehicles. For all insurers writing private passenger insurance in the Province, including the Facility Association, the overall average rate reduction for 2009 will be one per cent.

For the fourth consecutive year, New Brunswick has seen a reduction in rates for private passenger automobiles. This means New Brunswickers pay among the lowest rates in Canada. Government reforms enacted in 2003 and 2006 have resulted in an estimated \$500 million in cumulative savings for New Brunswick rate payers.

We have also continued our partnership with Teens Against Drinking and Driving (TADD). Since we first began our partnership in 2006, the Board has raised over \$75,000 for TADD through our annual TADD Charity Golf Classic. In 2008, the Board also partnered with the Province of New Brunswick and other agencies to form an insurance taskforce. This taskforce will educate consumers, especially young people, about the importance of making responsible choices.

As leaders in the Canadian regulatory environment, the NBIB played a pivotal role in the establishment of the Canadian Auto Insurance Rate Regulators (CARR) Association which was constituted in October 2008 at the annual CARR Association conference. We will continue to be at the forefront of building a strong CARR Association.

Past reforms have helped to bring rates down. What we see for the future is a normal progression based on statistical data that reflects a marketplace “post reforms”. In the face of the global economic crisis, the Board will continue its regulatory work with prudence and will monitor the marketplace rigorously. The Board is of the opinion that rate payers are best served in an open competitive marketplace with adequate regulatory oversight. With all the challenges ahead, I am confident in the abilities of our Board members and staff to achieve our objectives.

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

Paul D'Astous
Chairman & CEO
New Brunswick Insurance Board



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 six employees.

members



Paul D' Astous
Chair



Vincent Duff
Vice-Chair



Ferne Ashford



Armand Brun



Gérard Hall



Francine Kanhai



Al Kavanaugh



Yvon Landry



Jean-Guy Richard



Matthew Tweedie

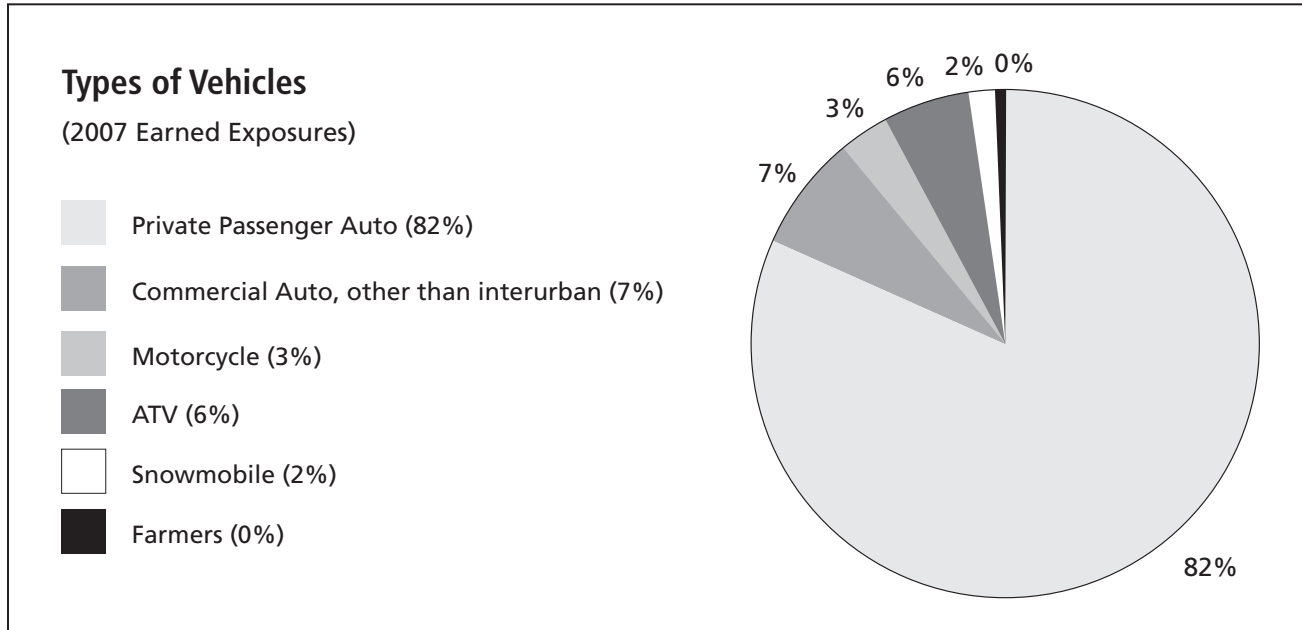
Mission

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 automobile insurance rates. Members have the powers and privileges of commissioners 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. To date, the Board has required full actuarial justification when companies file for new rates.

Individual member panels met regularly to review various rate filings. The full Board convened four times in 2008:

1. January - Member training sessions
2. June - Public Hearing for Facility Association on commercial, miscellaneous, interurban and revisions to private passenger
3. October - Canadian Auto Insurance Rate Regulators (CARR) Association 2008 Conference
4. October - Public Hearing for IAO Actuarial Consulting Services Inc. for private passenger



Accountability

By legislation, the NBIB is obligated to annually report its previous year's activities to the Minister of Justice by March 1st. 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 2008 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

■ PROCESS MODERNIZATION

The NBIB continues to be committed to developing and maintaining a modern approach to the fulfillment of its mandate. Therefore, in 2008, the Board undertook a number of activities designed to update the state of the various processes in the rate review process.

One such activity was the process re-design project which focused on streamlining the review process and making it more efficient. As a result of this project, the NBIB staff gathers and analyzes information and now shares it with NBIB members electronically. All Board members have been equipped with laptops and are now able to conduct their hearings remotely using a teleconferencing system. This new process has resulted in significant savings of both time and money.

In 2007, the NBIB tested the idea of using videoconferencing technology to conduct hearings. This method would permit more insurance companies to appear before the Board at a reasonable cost. As a result, the NBIB acquired a new videoconferencing system, and in December, held a record number of hearings in which insurance companies appeared before the Board for the review process using this system.

In the months to come, the NBIB will continue its focus on process modernization, which will include the implementation of an advanced document and information management system.

■ BOARD EDUCATION

Education of both the 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 has been increased focus on training with the addition of a Training and Development function. The NBIB has always undertaken a regimen of regular training programs in-house and has also called upon experts in the field to provide further training. The new function will 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.

■ FILING GUIDELINES

The NBIB released revised filing guidelines for 2008-09 in August 2008. 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.

■ ANNUAL RATE APPLICATION FILINGS

In 2008, 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 rendered decisions on a total of 194 filings in 2008 which included:

- 49 for private passenger rate filings
- 28 for commercial vehicle rate filings
- 20 for interurban vehicle rate filings
- 53 for miscellaneous vehicles including, motorcycles, ATVs, snowmobiles, buses, taxis etc.
- 44 for other filings including: updating the rate group tables, proposed changes to endorsements and/or proposed changes to rating rules

■ PRIVATE PASSENGER 2009 RATE FILINGS

Insurance companies were required to file their proposed private passenger rates for 2009 by September 15, 2008. Hearings were held in late fall and concluded December 16, 2008.

As a result, the NBIB rendered 49 decisions on companies writing private passenger automobile insurance by December 19, 2008. For those writing standard risk automobile insurance in the province, the overall average rate reduction for 2009 will be one per cent, bringing the average rate to \$754. These rates will become effective in the first quarter of 2009. 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 February 20, 2008 with proposed rates for commercial, miscellaneous and interurban vehicles. IAO appeared before the Board on October 9, 2008 to present its application for private passenger rates for 2009. These decisions are available on the NBIB website.



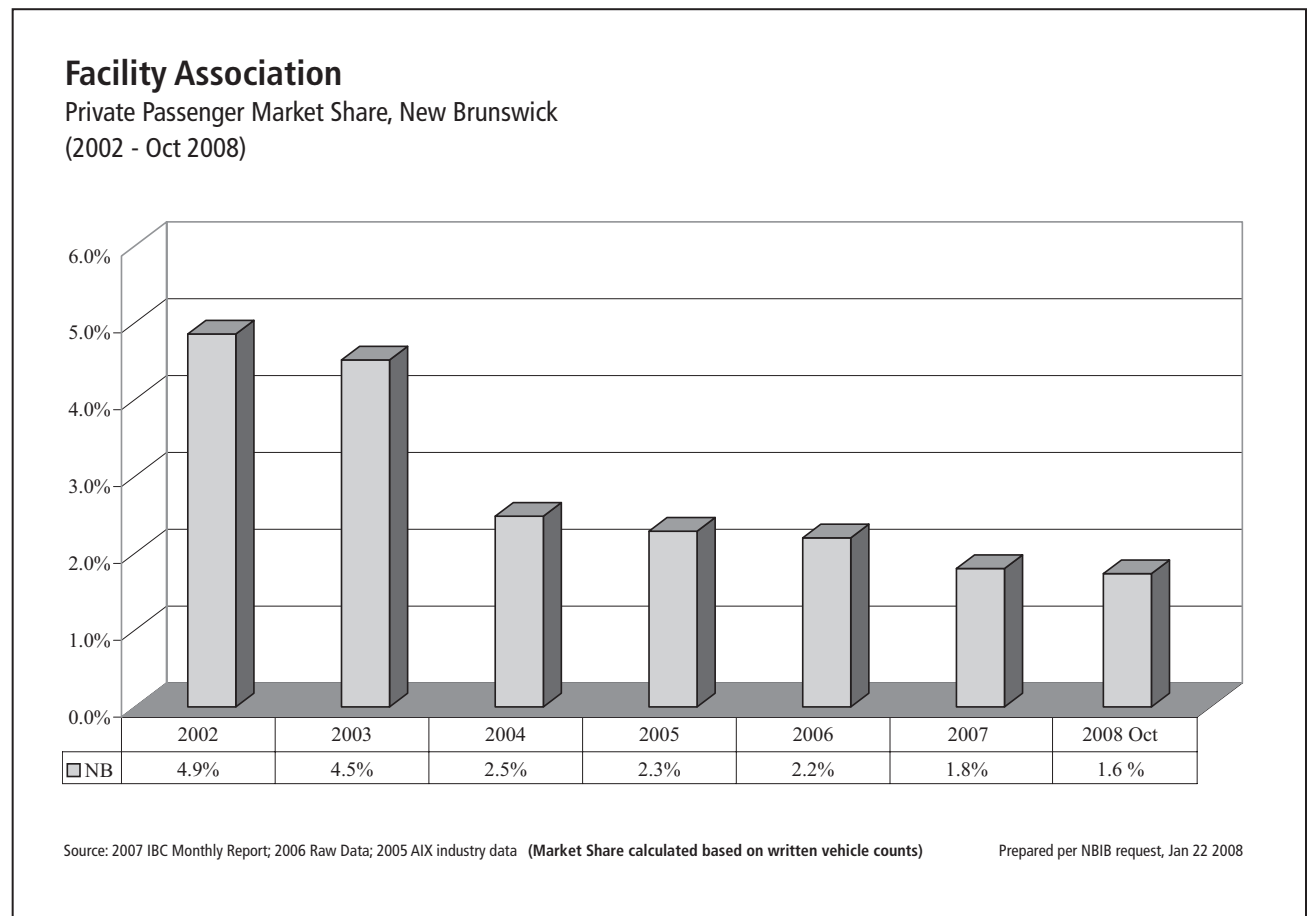
■ FACILITY ASSOCIATION

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 June 4, 2008 to present its application for proposed 2009 rates for commercial, miscellaneous and interurban vehicles. FA also presented an application for revised private passenger rates during this hearing. The Board rendered decisions on August 20, 2008. The decisions are available on the NBIB website.

Over the last six years, market share for FA has been consistently declining. As of September 2008, the vehicle population in FA consisted of approximately 1.6 per cent of the market, which represents five per cent of the total premiums in the New Brunswick marketplace. This amount continues to be the lowest percentage of market share since 2002.

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



■ CANADIAN AUTO INSURANCE RATE REGULATOR (CARR) ASSOCIATION

The Alberta Auto Insurance Rate Board (AIRB) was host to the second annual Canadian Auto Insurance Rate Regulators (CARR) Association conference in Banff, Alberta, October 26-29, 2008.

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 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 \$75,000 for the organization through its TADD Charity Golf Classic. The second annual event was held on September 10, 2008 at the Sussex Golf and Curling Club.

The NBIB also worked with TADD to host the Canadian Youth Against Impaired Driving (CYAID) National Conference which was held May 8 - 11, 2008 in Fredericton. The conference was host to almost 400 students from across Canada. These students are leaders in their own jurisdictions advocating against drinking and driving.

Insurance Task Force Initiatives

In 2008, the Board also partnered with various departments within the Province of New Brunswick and other outside agencies such as the Consumer Advocate for Insurance to form an insurance task force. The goal of this task force is to educate consumers, especially young drivers, about making responsible choices.

The first initiative was a lead-in to the CYAID conference in which the department of Justice and Consumer Affairs teamed with the departments of Public Safety and Transportation, the New Brunswick Insurance Board, the Consumer Advocate for Insurance, the RCMP, the Fredericton City Police, and the Insurance Bureau of Canada.

The initiative began with a special day-long public event involving the driver distraction simulator or D.U.M.B. (Distractions Undermining Motorist Behaviour) car at the Regent Mall in Fredericton on May 8, 2008. The event raised awareness of the growing problem of distracted driving by calling on New Brunswickers to test their driving skills either at the mall or online by taking a virtual driver distraction road test. The initiative tracked the number of hits to www.besmartbesafe.ca to see how many had taken the virtual test.

The second initiative was the launch of the First Chance Discount Campaign on November 13, 2008 at Mathieu Martin High School in Dieppe. The NBIB partnered with the Department of Justice and Consumer Affairs, TADD, the Consumer Advocate for Insurance and the New Brunswick Insurance Brokers. This initiative is a year-long campaign to raise awareness about the substantial auto insurance discount available to first-time drivers and the consequences of losing it. The campaign directs young drivers to a website where they are given a chance to enter a draw for a gas card and to learn more about the discount.





APPENDIX A

Summary of 2008 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%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	-10.68%	2008 03 28	2008 06 09
American Home Assurance Company (AIG)	Private Passenger		initial	2008 02 25	2008 06 03
	Commercial		initial	2008 02 26	2008 06 03
	Interurban		initial	2008 02 26	2008 06 03
	Miscellaneous	Personal Use	initial	2008 02 26	2008 06 03
			Public Use	initial	2008 02 26
Aviva Insurance Company of Canada	Private Passenger		2.90%	2008 09 15	2009 01 12
	Commercial		-6.00%	2008 03 28	2008 06 11
	Interurban		0.00%	2008 03 28	2008 09 04
	Miscellaneous	Personal Use	3.03%	2008 03 28	2008 06 03
AXA Insurance (Canada)	Private Passenger		0.80%	2008 09 15	2009 01 12
	Commercial		-5.10%	2008 03 28	2008 06 03
	Interurban		0.00%	2008 03 28	2008 06 03
	Miscellaneous	Personal Use	3.56%	2008 03 28	2008 06 03
CAA Insurance Company (Ontario)	Private Passenger		5.00%	2008 09 15	2009 01 12
Commerce and Industry Insurance Company of Canada (AIG)	Private Passenger		initial	2008 02 26	2008 06 03
	Commercial		initial	2008 02 26	2008 06 03
	Interurban		initial	2008 02 26	2008 06 03
	Miscellaneous	Personal Use	initial	2008 02 26	2008 06 03
			Public Use	initial	2008 02 26
Co-operators General Insurance Company	Private Passenger		0.20%	2008 09 15	2009 01 15
	Commercial		2.60%	2008 03 28	2008 06 13
	Interurban		-5.40%	2008 03 28	2008 06 13
	Miscellaneous	Personal Use	2.77%	2008 03 28	2008 06 13
Coseco Insurance Company	Private Passenger		0.40%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 17
Cumis General Insurance Company	Private Passenger		0.00%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 13
	Miscellaneous	Personal Use	0.00%	2008 08 05	2008 09 04
The Dominion of Canada General Insurance Company	Private Passenger		3.39%	2008 09 15	2009 01 12
	Commercial		-8.43%	2008 03 28	2008 06 17
	Interurban		0.00%	2008 03 28	2008 06 03
	Miscellaneous	Personal Use	3.87%	2008 03 28	2008 06 17
			Public Use	0.53%	2008 03 28
Echelon General Insurance Company	Private Passenger		0.00%	2008 09 15	2009 01 12
Economical Mutual Insurance Company	Private Passenger		-2.80%	2008 09 15	2009 01 12
	Commercial		-8.40%	2008 03 28	2008 06 13

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of Filing	Date of Decision
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 07 30
Elite Insurance Company	Private Passenger		0.00%	2008 09 15	2009 01 12
	Private Passenger		-15.00%	2008 08 27	2008 09 04
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 13
	Motorcycles		-2.38%	2008 03 28	2008 06 03
Facility Association	Private Passenger		-10.00%	2008 05 13	2008 08 20
	Interurban		-3.50%	2008 05 13	2008 08 20
	Commercial		-10.00%	2008 05 13	2008 08 20
	Miscellaneous	Personal Use	-1.00%	2008 05 13	2008 08 20
Federated Insurance Company of Canada	Private Passenger		0.00%	2008 09 15	2009 01 12
	Commercial		17.48%	2008 03 29	2008 06 16
	Miscellaneous		-2.95%	2008 03 28	2008 06 03
Federation Insurance Company of Canada	Private Passenger		2.80%	2008 09 15	2009 01 12
	Commercial		-7.50%	2008 03 28	2008 06 13
	Miscellaneous		0.00%	2008 03 28	2008 07 30
IAO Actuarial Consulting Services Inc.	Private Passenger		-0.43%	2008 09 10	2008 10 15
	Commercial		-6.28%	2007 11 15	2008 02 20
	Interurban		-4.24%	2007 11 15	2007 01 24
	Miscellaneous	Personal Use	-0.48%	2008 11 17	2008 02 20
		Public Use	2.50%		
ING Insurance Company of Canada	Private Passenger		2.10%	2008 09 15	2009 01 12
	Commercial		-7.20%	2008 03 28	2008 06 16
	Interurban		0.70%	2008 03 28	2008 06 03
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 16
	Miscellaneous	Public Use	0.00%	2008 03 28	2008 06 03
ING Novex Insurance Company of Canada	Private Passenger		2.50%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 16
Insurance Company of Prince Edward Island	Private Passenger		6.00%	2008 09 15	2009 01 12
	Commercial		0.01%	2007 10 15	2008 01 23
	Commercial		0.00%	2008 03 28	2008 08 25
	Interurban		0.00%	2008 03 28	2008 06 13
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 13
Kingsway General Insurance Company	Miscellaneous	Personal Use	-0.77%	2008 03 28	2008 06 17
	Interurban		-6.03%	2008 03 28	2008 06 17
Lombard General Insurance Company of Canada	Private Passenger		2.30%	2008 11 21	2008 12 19
	Commercial		-8.20%	2008 03 28	2008 06 03
	Interurban		-5.20%	2008 03 28	2008 06 03
	Miscellaneous	Personal Use	0.10%	2008 03 28	2008 06 03



Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of Filing	Date of Decision
	Miscellaneous	Public Use	1.90%	2008 03 28	2008 06 03
Lombard Insurance Company	Private Passenger		6.20%	2008 11 21	2008 12 19
	Commercial		0.00%	2008 03 28	2008 06 03
	Interurban		0.00%	2008 03 28	2008 06 03
	Miscellaneous	Public Use	0.00%	2008 03 28	2008 06 03
	Miscellaneous	Personal Use	-1.10%	2008 03 28	2008 06 03
Markel Insurance Company of Canada	Commercial		-6.30%	2008 03 28	2008 06 13
	Interurban		-6.40%	2008 03 28	2008 06 13
Pafco Insurance Company	Private Passenger		-10.00%	2008 09 15	2009 01 12
Pembridge Insurance Company	Private Passenger		1.00%	2007 10 15	2008 02 29
	Private Passenger		0.00%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	-10.26%	2008 03 28	2008 06 09
The Personal Insurance Company	Private Passenger		0.10%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 17
Perth Insurance Company	Private Passenger		-5.30%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 07 30
The Portage la Prairie Mutual Insurance Company	Private Passenger		0.00%	2008 09 15	2009 01 12
	Commercial		0.00%	2008 03 28	2008 06 16
	Miscellaneous		0.00%	2008 03 28	2008 06 16
Primum Insurance Company	Private Passenger		-6.00%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	-5.91%	2008 03 28	2008 06 25
Promutuel Gaspésie - Les Iles	Private Passenger		-1.06%	2008 11 24	2008 12 19
	Comm/Misc		0.00%	2008 03 28	2008 06 03
Promutuel Temiscouata	Private Passenger		0.04%	2008 11 24	2008 12 19
	Comm/Misc		0.00%	2008 03 28	2008 06 03
RBC General Insurance Company	Private Passenger		0.62%	2008 09 15	2009 01 12
	Private Passenger		-3.16%	2008 07 11	2008 09 04
	Miscellaneous	Personal Use	-0.45%	2008 03 28	2008 06 16
Royal & Sun Alliance Insurance Company of Canada	Private Passenger		-1.40%	2008 09 15	2009 01 12
	Commercial		0.00%	2008 03 28	2008 06 13
	Interurban		0.00%	2008 03 28	2008 06 13
	Miscellaneous	Personal Use	-5.77%	2008 03 28	2008 06 13
		Public Use	0.00%	2008 03 28	2008 06 13
Scottish & York Insurance Company Ltd.	Private Passenger		0.00%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 03
Security National Insurance Company	Private Passenger		2.00%	2008 09 15	2009 01 12
	Miscellaneous		-7.04%	2008 03 28	2008 06 25
The Sovereign General Insurance Company	Private Passenger		4.90%	2008 11 12	2008 12 19
	Commercial		-5.90%	2008 03 28	2008 06 03
	Interurban		0.00%	2008 03 28	2008 06 03

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of Filing	Date of Decision
	Miscellaneous	Personal Use	-5.20%	2008 03 28	2008 06 03
		Public Use	-2.10%	2008 03 28	2008 06 03
State Farm Mutual Automobile Insurance Company - Plan A	Private Passenger		-1.30%	2008 09 15	2009 01 12
	Commercial		-3.20%	2008 03 28	2008 06 13
	Interurban		0.00%	2008 03 28	2008 06 13
	Miscellaneous	Personal Use	-2.95%	2008 03 28	2008 06 13
		Public Use	0.40%		
State Farm Mutual Automobile Insurance Company - Plan B	Private Passenger		0.50%	2008 09 15	2009 01 12
	Commercial		-4.10%	2008 03 28	2008 06 13
	Interurban		0.00%	2008 03 28	2008 06 13
	Miscellaneous	Personal Use	-3.10%	2008 03 28	2008 06 13
TD Home & Auto Insurance Company	Private Passenger		0.00%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	-10.53%	2008 03 28	2008 06 25
Tokio Marine & Nichido Fire Insurance Co., Ltd	Private Passenger		2.30%	2008 11 21	2008 12 19
	Commercial		0.00%	2008 03 28	2008 06 03
	Interurban		0.00%	2008 03 28	2008 06 03
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 03
	Miscellaneous	Public Use	0.00%	2008 03 28	2008 06 03
Traders General Insurance Company	Private Passenger		5.20%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	1.89%	2008 03 28	2008 06 03
Trafalgar Insurance Company of Canada	Private Passenger		2.90%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 16
Unifund Assurance Company	Private Passenger		-7.70%	2008 07 17	2009 01 12
	Miscellaneous	Personal Use	0.11%	2008 03 28	2008 06 03
United General Insurance Company	Private Passenger		0.53%	2008 09 15	2009 01 12
	Commercial		0.20%	2008 03 28	2008 07 30
	Miscellaneous	Personal Use	17.53%	2008 03 28	2008 07 30
Waterloo Insurance Company	Private Passenger		-6.20%	2008 09 15	2009 01 12
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 07 30
The Wawanesa Mutual Insurance Company	Private Passenger		-4.06%	2008 09 15	2009 01 19
	Commercial		-12.77%	2008 03 28	2008 06 13
	Miscellaneous		-5.08%	2008 03 28	2008 06 25
Zenith Insurance Company	Private Passenger		-4.10%	2008 11 21	2008 12 19
	Miscellaneous	Personal Use	5.81%	2008 03 28	2008 06 03
Zurich Insurance Company	Private Passenger		0.80%	2008 11 21	2008 12 19
	Commercial		-8.00%	2008 03 28	2008 06 03
	Interurban		-8.70%	2008 03 28	2008 06 03
	Misc-Antiques			2008 03 28	2008 06 13
	Miscellaneous	Personal Use	0.00%	2008 03 28	2008 06 03
	Miscellaneous	Public Use	0.00%	2008 03 28	2008 06 03



OTHER FILINGS

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of Filing	Date of Decision
Allstate Insurance Company of Canada	Private Passenger	rate group update		2008 09 16	2008 10 20
	Private Passenger	endorsements		2008 12 02	2009 01 09
Aviva Insurance Company of Canada	Private Passenger	rate group update		2008 08 08	2008 08 22
	Commercial	rate group update		2008 08 01	2008 10 22
AXA Insurance (Canada)	Private Passenger	rating rule change		2008 01 30	2008 02 25
	Miscellaneous	rating rule change		2008 02 21	2008 03 11
		endorsements		2008 01 14	2008 02 25
CAA Insurance Company (Ontario)	Private Passenger	rate group update		2008 08 14	2008 10 21
CUMIS General Insurance Company	Private Passenger	endorsements		2008 07 11	2008 08 12
The Dominion of Canada General Insurance Company	Private Passenger	rating rule change		2008 10 29	2008 11 27
Echelon General Insurance Company	Private Passenger	rate group update		2008 02 13	2008 02 13
	Private Passenger	rate group update		2008 11 17	2008 11 28
Economical Mutual Insurance Company	Private Passenger	rate group update		2008 07 17	2008 08 19
	Commercial	rate group update		2008 11 10	2008 11 28
Elite Insurance Company	Private Passenger	rate group update		2008 08 08	2008 09 04
	Private Passenger	endorsements		2008 03 31	2008 11 27
Facility Association	Private Passenger	rate group update		2008 09 17	2008 10 17
Federated Insurance Company of Canada	Private Passenger	endorsements		2008 09 26	2008 12 05
Federation Insurance Company of Canada	Private Passenger	rate group update		2008 07 17	2008 08 19
ING Insurance Company of Canada		payment fee		2007 11 26	2008 02 25
ING Novex Insurance Company of Canada		payment fee		2007 11 26	2008 02 25
Insurance Company of Prince Edward Island	Private Passenger	rate group update		2008 07 08	2008 08 19
Pafco Insurance Company	Private Passenger	rate group update		2008 09 16	2008 10 20
Pembridge Insurance Company	Private Passenger	rate group update		2008 09 16	2008 10 20
The Personal Insurance Company	Private Passenger	rate group update		2008 08 25	2008 10 21
	Private Passenger	endorsements		2008 09 30	2008 04 08
Perth Insurance Company	Private Passenger	rate group update		2008 07 17	2008 08 19
The Portage la Prairie Mutual Insurance Company	Commercial	endorsements		2008 07 25	2008 08 12
Primum Insurance Company	Private Passenger	rate group update		2008 07 31	2008 08 22
	Miscellaneous	U/W rule change		2007 11 12	2008 02 25
	Private Passenger	endorsements		2008 04 21	2008 06 24
Royal & Sun Alliance Insurance Company of Canada	Commercial	rate group update		2008 09 18	2008 10 22
	Private Passenger	rate group update		2008 09 18	2008 10 22
Security National Insurance Company	Private Passenger	rate group update		2008 07 31	2008 08 22
	Miscellaneous	rating rule change		2007 11 12	2008 02 25

Insurance Companies	Vehicle Class	Vehicle Type	Change	Date of Filing	Date of Decision
	Private Passenger	endorsements		2008 04 21	2008 06 24
State Farm Mutual Automobile Insurance Company - Plan A	Private Passenger	rating rule change		2008 03 14	2008 05 14
State Farm Mutual Automobile Insurance Company - Plan B	Private Passenger	rating rule change		2008 03 14	2008 05 14
TD Home & Auto Insurance Company	Private Passenger	rate group update		2008 07 31	2008 08 22
	Miscellaneous	rating rule change		2007 11 12	2008 02 25
	Private Passenger	endorsements		2008 04 21	2008 06 24
Traders General Insurance Company	Private Passenger	rate group update		2008 08 08	2008 08 22
Waterloo Insurance Company	Private Passenger	rate group update		2008 07 17	2008 08 19
The Wawanesa Mutual Insurance Company	Private Passenger	rate group update		2008 09 15	2008 10 17





APPENDIX B

2007-2008 Fiscal Year Audited Financial Statements
(to March 31, 2008)

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

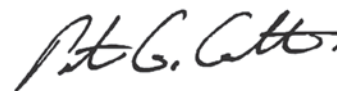
To the members of New Brunswick Insurance Board:

I have audited the statement of financial position of the New Brunswick Insurance Board as at March 31, 2008 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, 2008 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Saint John, NB
July 18, 2008



Chartered Accountant

New Brunswick Insurance Board

Statement of Financial Position

As at March 31, 2008

	2008	2007
Assets		
Current:		
Cash in bank	\$ 298,303	\$ 227,061
Scotiabank GIC's (1-year cashable; 3.01%)	1,200,000	1,750,000
Accounts receivable	269,548	-
Accrued interest receivable	396	3,366
Harmonized sales tax recoverable	56,594	104,251
Prepaid expenses	5,381	9,918
	<u>1,830,222</u>	<u>2,094,596</u>
Property, Plant and Equipment (note 3)	181,137	184,910
Less: accumulated amortization	(111,276)	(89,651)
	<u>69,861</u>	<u>95,259</u>
	<u>\$ 1,900,083</u>	<u>\$ 2,189,855</u>

Liabilities

Current:


Accounts payable and accrued liabilities	\$ 48,893	\$ 253,278
Employee deductions payable	15,607	14,760
Due to employee	-	25,361
Capital lease obligation- current portion	-	4,905
Deferred assessments (note 6)	1,835,583	1,891,551
	<u>1,900,083</u>	<u>2,189,855</u>


Net assets

	-	-
	<u>\$ 1,900,083</u>	<u>\$ 2,189,855</u>

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

Approved by the Board:

 Chairperson

 Vice-Chairperson



New Brunswick Insurance Board

Statement of Operations and Surplus

For the year ended March 31, 2008

	2008	2007
Receipts		
Assessments	\$ 1,735,700	\$ 1,725,322
Interest	31,196	21,250
	1,766,896	1,746,572
Disbursements		
Wages, benefits and other employee costs	587,277	637,368
Interest and bank charges	2,059	3,476
Travel	25,454	19,015
Advertising	6,479	1,013
Board member per diems	30,563	29,663
Board member stipends	48,750	45,000
Actuarial services	612,095	492,926
Rent	119,179	111,800
Amortization expense	37,372	39,266
Office expenses	40,993	37,713
Professional services	56,120	65,501
Training and education	52,535	28,945
Telecommunications	17,940	18,178
Rentals	8,388	2,369
Equipment leases	18,515	5,941
Communications	13,030	18,767
Public awareness campaign	-	152,865
Community support	12,954	-
Meetings and conferences	19,799	24,332
Insurance	1,348	1,241
IT support	16,679	11,193
Canadian Automobile Insurance Rate Regulators conference	39,367	-
	1,766,896	1,746,572
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, 2008

	2008	2007
Cash provided by (used in):		
Operations		
Excess of receipts over disbursements Item not involving an outlay of cash	\$ -	\$ -
Amortization expense	37,372	39,266
	<u>37,372</u>	<u>39,266</u>
Decrease (increase) in accounts receivable	(269,548)	416
Decrease (increase) in accrued interest receivable	2,970	2,404
Decrease (increase) in HST recoverable	47,657	(65,993)
Decrease (increase) in prepaid expenses	4,537	(695)
Increase (decrease) in accounts payable	(204,385)	178,752
Increase (decrease) in employee deductions payable	847	(4,897)
Increase (decrease) in due to employee	(25,361)	25,361
Increase (decrease) in capital lease obligation	(1,145)	(6,185)
Increase (decrease) in deferred revenue	(55,968)	465,893
	<u>(463,024)</u>	<u>634,322</u>
Investing		
Purchase of office equipment	(15,734)	(42,719)
Purchase of Scotiabank GIC's	(1,200,000)	(1,750,000)
GIC's redeemed	1,750,000	600,000
	<u>534,266</u>	<u>(1,192,719)</u>
Increase(decrease) in cash	71,242	(558,397)
Cash, beginning of year	227,061	785,458
Cash, end of year	<u>\$ 298,303</u>	<u>\$ 227,061</u>
Interest paid during the year	<u>\$ -</u>	<u>\$ 840</u>

See accompanying notes to financial statements



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2008

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, prepaids expenses, accounts payable and accrued liabilities, 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.

New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2008

3. Property, plant and equipment

	Cost	2008		2007
		Accumulated Amortization	Net book Value	Net book Value
Computer equipment	\$ 72,980	\$ 48,620	\$ 24,360	\$ 38,637
Computer software	16,686	4,650	12,036	2,211
Equipment under capital lease	-	-	-	4,905
Vehicle	20,161	12,097	8,064	12,097
Leasehold improvements	1,785	357	1,428	-
Furniture and fixtures	69,525	45,552	23,973	37,409
	\$ 181,137	\$ 111,276	\$ 69,861	\$ 95,259

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 \$44,857 (2007: \$40,840). 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, 2008 - December 31, 2010:	\$ 116,525
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, 2008 - March 31, 2009:	\$ 18,789
April 1, 2009 - March 31, 2010:	\$ 15,173
April 1, 2010 - March 31, 2011:	\$ 1,771



New Brunswick Insurance Board

Notes to Financial Statements

For the year ended March 31, 2008

6. Deferred assessments

The Boards' 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.

8. Comparative figures

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