



# NOVA SCOTIA UTILITY AND REVIEW BOARD

## Information Bulletin: INS-12-02

February 7, 2012

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This publication is not a legal document. It contains general information and is provided for the convenience and guidance in applying the *Insurance Act* (Chapter 231 of the Revised Statutes of Nova Scotia, 1989) (the “Act”), and Regulations. In all circumstances reference should be made to the legislation.

### **Approval of 2011 CLEAR Tables**

The Nova Scotia Utility and Review Board (the “Board”) on February 3, 2012 approved the 2011 CLEAR tables published by the Insurance Bureau of Canada (“IBC”) for use in Nova Scotia. The 2011 CLEAR rate groups for physical damage coverages (Collision, Comprehensive, Specified Perils, and All Perils) as well as the expanded Accident Benefit rate groups can be used in Nova Scotia as a result of this approval.

Companies using CLEAR tables are asked to file an application to adopt the 2011 CLEAR tables within three months of the approval date of the table (i.e. by May 3, 2012).

### **Filing Requirements**

Companies wishing to adopt the rate groups from the 2011 Table using the Board’s CLEAR Benchmark Base Rate Adjustments may file an application using “*Rate Filing Requirements for Automobile Insurance – Section 155G CLEAR*” to meet this requirement.

Companies who have received Board approval for a rate application which included complete actuarial indications with rate group drift reflected with a renewal effective date within the nine months prior to February 3, 2012 (that is, after May 3, 2011) are also eligible to file using the “*Rate Filing Requirements for Automobile Insurance – Section 155G CLEAR*” to adopt the 2011 tables.

Companies that want to adopt the 2011 CLEAR tables but do not want to use the CLEAR Benchmark Base Rate Adjustments, or are not eligible under the preceding paragraph, are required to make an application under Section 155G using the Board’s published “*Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval*”.

A Company adopting the CLEAR rate groups for Accident Benefits for the first time, must off-balance the impact of the adoption of these rate groups through the Accident Benefits base rates. Details of this calculation must be included in the application.

### **Changes to CLEAR Filing Process**

The Board has adopted the Canadian Automobile Insurance Rate Regulators (“CARR”) harmonized profiles. Copies of these profiles can be found on the Board’s website ([www.nsuarb.ca](http://www.nsuarb.ca)).

An application made under the “Rate Filing Requirements for Automobile Insurance – Section 155G CLEAR” will be a “paperless” filing. That is, only electronic copies of the files outlined in the filing requirements will be required. Companies must follow the format of the files to ensure the confidentiality granted to the components of the application is respected.

### **CLEAR Benchmark Base Rate Adjustments**

The Board used the following rate group drift (estimated by the IBC) and loss trends for physical damage coverages to develop and approve the CLEAR Benchmark Base Rate Adjustments to move to the 2011 table:

<b>Coverages</b>	<b>Rate Group Drift</b>	<b>Benchmark Loss Trend</b>	<b>Benchmark Base Rate Adjustment to move from the 2009 to the 2011 CLEAR table</b>
<b>Collision</b>	7.82%	0.00%	-7.30%
<b>Comprehensive</b>	6.67%	0.00%	-6.30%
<b>All Perils</b>	7.48%	0.00%	-7.00%
<b>Specified Perils</b>	6.67%	0.00%	-6.30%

The Board anticipates, given mandatory filing requires a private passenger filing once every two years, that at most 1 year of premium trend and loss trend may not be reflected in rates for those companies who have not had a rate filing approved with an effective date within 9 months of the Board approval of the 2011 table. Therefore, only one year trends are used in the Benchmark Rate Adjustments.

### **Questions**

Any questions or concerns relating to approval of the 2011 CLEAR table or the revised filing requirements can be directed to the following Board staff:

Barry Cotnam, Senior Advisor ([cotnambj@gov.ns.ca](mailto:cotnambj@gov.ns.ca)); or  
Doreen Friis, Clerk of the Board, ([friisda@gov.ns.ca](mailto:friisda@gov.ns.ca)).

Peter W. Gurnham, Q.C. Chair  
Nova Scotia Utility and Review Board