

DECISION

**2019 NSUARB 5
M08967**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE INSURANCE ACT



- and -

IN THE MATTER OF AN APPLICATION by AVIVA GENERAL INSURANCE COMPANY
for approval to modify its rates for motorhomes

BEFORE: Jennifer L. Nicholson, CPA, CA, Member

APPLICANT: AVIVA GENERAL INSURANCE COMPANY

FINAL SUBMISSIONS: December 3, 2018

DECISION DATE: January 8, 2019

DECISION: Application is approved.

I INTRODUCTION

[1] Aviva General Insurance Company (Aviva or Company) filed supporting documents and materials (Application) with the Nova Scotia Utility and Review Board (Board) for approval to modify its rates for motorhomes. The Application was dated and received on November 8, 2018.

[2] Information Requests (IRs) were sent to the Company on November 23, 2018, and responses were received on November 30, 2018.

[3] As a result of a review by Board staff, a staff report dated December 3, 2018 (Staff Report), was prepared. The Staff Report was provided to the Company for review and they responded with no comments on the same day.

[4] The Board did not deem it necessary to hold an oral hearing on the Application.

II ISSUE

[5] The issue in this Application is whether the proposed rates are just and reasonable and in compliance with the *Insurance Act (Act)* and its *Regulations*.

III ANALYSIS

[6] The Company sought approval to change its rates for motorhomes. The Application was made in accordance with the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. The Application qualified to reset the Company's mandatory filing deadline to November 1, 2021, for these vehicles.

[7] The proposed effective dates are March 1, 2019, for new business and April 1, 2019, for renewal business.

Rate Level Changes

[8] The Company proposed an overall rate level increase of 8.3%.

[9] Due to a lack of data from this small book of business, Aviva chose to base its proposed changes on those recently approved Board changes for its sister company, Elite Insurance Company (Elite) [2018 NSUARB 75]. The current Aviva motorhome rates are also based on those for Elite.

[10] Aviva insures a small number of motorhomes whereas Elite insures a much larger portfolio. Therefore, the analysis of the Elite book of motorhomes provides better information than Aviva's limited book.

[11] Board staff recommend approving the proposed rates and the Board agrees.

Automobile Insurance Manual

[12] Board staff have reviewed the Automobile Insurance Manual on file and found no instances where the Company is in violation of the *Regulations*.

IV FINDINGS

[13] The Board finds that the Application complies with the *Act* and *Regulations*, as well as the *Rate Filing Requirements*.

[14] The financial information submitted by the Company satisfies the Board, pursuant to Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the Company.

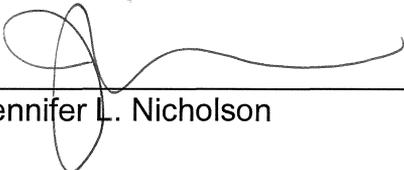
[15] The Board finds the proposed rates are just and reasonable.

[16] The Application did not include an actuarial analysis but relied on the analysis used to justify the approved changes for Elite. This analysis qualified to reset the mandatory filing deadline for Elite and therefore, it qualifies to set the new mandatory filing date for motorhomes for Aviva to November 1, 2021.

[17] The Board approves the effective dates of March 1, 2019, for new business and April 1, 2019, for renewal business.

[18] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 8th day of January, 2019.



Jennifer L. Nicholson