

**DECISION**

**2017 NSUARB 86  
M08036**

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE INSURANCE ACT**



**- and -**

**IN THE MATTER OF AN APPLICATION** by **INTACT INSURANCE COMPANY** to modify its discounts and rating rules for commercial vehicles

**BEFORE:** Roberta J. Clarke, Q.C., Member

**APPLICANT:** **INTACT INSURANCE COMPANY**

**FINAL SUBMISSIONS:** May 25, 2017

**DECISION DATE:** **May 31, 2017**

**DECISION:** **Application is approved**

## **I INTRODUCTION**

[1] Intact Insurance Company (“Intact” or “Company”) filed supporting documents and materials (“Application”) with the Nova Scotia Utility and Review Board (“Board”), for approval to modify its discounts, and to change its rating rules for commercial vehicles (“CV”). The Application was filed electronically on May 1, 2017.

[2] As a result of a review by Board staff, a staff report dated May 25, 2017, (“Staff Report”) was prepared. The Staff Report was provided to the Company for review on May 25, 2017. The Company responded on the same day, indicating that it had reviewed the Staff Report and had no comments.

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

## **II ISSUE**

[4] The issue in this Application is whether the proposed modifications to discounts and rating rules are just and reasonable and in compliance with the *Insurance Act* (“Act”) and its *Regulations*.

## **III ANALYSIS**

[5] The Company sought approval to modify its discounts and rating rules for CV. The Application was made in accordance with the Board’s *Rate Filing Requirements for Automobile Insurance – Section 155G Discounts and Surcharges*.

[6] The proposed effective dates are August 1, 2017, for new business and September 1, 2017, for renewal business.

### **Discounts**

[7] Intact currently offers a usage based discount program for commercial vehicles which was approved by the Board in 2015. Called the “*myDriving Discount™* Program”, it mirrors the program which Intact offers for private passenger vehicles. The program offers an immediate discount of 5% on enrollment in order to encourage clients to participate.

[8] After enrollment, a telematic device is provided for the vehicle, which collects data on how the vehicle is operated. Once sufficient information is gathered from the device, this discount is replaced by an earned discount at the next renewal. This ranges from 5% to 25%, based on the data obtained from the device.

[9] Intact proposes to increase the enrollment discount to 10%. This would mirror, and thus harmonize with, a similar increase approved by the Board in 2016 NSUARB 152 for the Company for private passenger vehicles. Intact hopes this change will encourage greater enrollment in Nova Scotia.

[10] The proposed change will apply only to new enrollments. Therefore, there is no impact on rates from the change.

[11] Board staff consider that the proposed change has been adequately supported and recommend its approval. The Board agrees and approves the change.

## **Rating Rules**

[12] Intact proposes to change some of its rating rules. The changes address the rules for declining to issue, terminating, or refusing to renew a contract of automobile insurance. In some cases, the changes merely clarify existing rules. For other changes, none violate the *Automobile Insurance Underwriting Practices Regulations*.

[13] Board staff note the changes proposed do not impact the risk-classification system, but instead change the types of risks the Company is prepared to underwrite. Board staff recommend approval of the proposed changes; the Board approves them.

## **IV RATE MANUAL CHANGES**

[14] The Company proposes no changes to its Rate Manual other than those required to implement the changes referred to in this Decision. Board staff have reviewed the Manual sections provided and found no area where the Company is in violation of the *Regulations*.

## **V FINDINGS**

[15] The Board finds that the Application complies with the Board's *Rate Filing Requirements*.

[16] The Board finds the financial information submitted by Intact satisfies it, pursuant to s. 155(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the Company.

[17] The Board finds the proposed changes are just and reasonable.

[18] The Board approves the proposed modifications to the discount and rating rules of the Company.

[19] The Board approves the effective dates of August 1, 2017, for new business and September 1, 2017, for renewal business.

[20] This Application does not meet the requirements to qualify to reset the next mandatory filing date for CV for the Company, which remains unchanged, as September 1, 2018.

[21] The Company is required to file an electronic version of its updated Rate Manual within 30 days of the issuance of the Order in this matter.

[22] An Order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 31<sup>st</sup> day of May, 2017.

  
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Roberta J. Clarke