

**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, AVIVA INSURANCE COMPANY OF CANADA, ELITE INSURANCE COMPANY, S&Y INSURANCE COMPANY and TRADERS GENERAL INSURANCE COMPANY** for approval to change its fees for all vehicles for declined payments for premiums because of insufficient funds

**BEFORE:** Stephen T. McGrath, LL.B., Member

**APPLICANTS:** **AVIVA GENERAL INSURANCE COMPANY  
AVIVA INSURANCE COMPANY OF CANADA  
ELITE INSURANCE COMPANY  
S&Y INSURANCE COMPANY  
TRADERS GENERAL INSURANCE COMPANY**

**FINAL SUBMISSIONS:** August 8, 2019

**DECISION DATE:** August 16, 2019

**DECISION:** Application is approved.

## I INTRODUCTION

[1] The applicants applied to the Nova Scotia Utility and Review Board for approval to increase the amount that they charge to a customer when the customer's bank declines payments for premiums because of insufficient funds in the customer's bank account. The applicants are related companies and "Aviva" is used in this decision to refer to all of them collectively.

[2] The Board finds that the proposed increase to Aviva's charge for payments that fail because of insufficient funds is just and reasonable, and the Board approves that change for all vehicles.

## II ANALYSIS

[3] Aviva applied under a simplified version of the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. Since the filing of this application, Aviva received and responded to an Information Request (IR) from Board staff. Board staff also prepared a report to the Board with recommendations on the application (Staff Report). Before providing the Staff Report to the Board, Board staff shared it with Aviva. Aviva reviewed the report and informed Board staff that the companies did not have any additional comments.

[4] Aviva currently applies a \$25 charge when a premium payment from a client fails because of insufficient funds in the client's bank account. This charge is for bank fees paid by Aviva and added administrative costs associated with the non-payment. Aviva does not believe that its current fee is high enough to cover these fees and costs. Aviva also notes that the current charge has not increased in more than 12 years, and

Aviva's proposal to increase it to \$50 is part of a nation-wide initiative by Aviva Canada Inc.

[5] Aviva supplied the Board with information showing that the proposed increase to \$50 is consistent with charges levied by its competitors. Aviva also said that Aviva General Insurance Company currently charges \$50 in Canada outside of the Atlantic Provinces. Board staff recommended that the Board approve Aviva's proposed increase in the charge to a customer when the customer's bank declines payments for premiums because of insufficient funds in the customer's bank account. The Board finds that this charge is reasonable and approves the increase.

### III SUMMARY

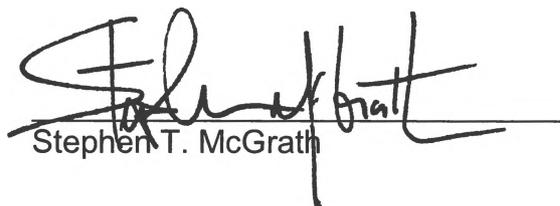
[6] The Board finds that the application follows the *Act* and *Regulations*, as well as the *Rate Filing Requirements*.

[7] The Board finds that the proposed increase in Aviva's charge for non-sufficient funds to \$50 is just and reasonable, and the Board approves this increase for all vehicles, effective January 1, 2020.

[8] The application does not qualify to set new mandatory filing dates under the *Mandatory Filing of Automobile Insurance Rates Regulations*. All of the previously established mandatory filing dates for all of the companies are unchanged.

[9] An Order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 16<sup>th</sup> day of August, 2019.

  
Stephen T. McGrath