

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE INSURANCE ACT



- and -

IN THE MATTER OF AN APPLICATION by **THE DOMINION OF CANADA GENERAL INSURANCE COMPANY** for approval to maintain its rates and risk-classification system for miscellaneous vehicles

BEFORE: Peter W. Gurnham, Q.C., Chair

APPLICANT: **THE DOMINION OF CANADA GENERAL INSURANCE COMPANY**

FINAL SUBMISSIONS: November 6, 2019

DECISION DATE: November 18, 2019

DECISION: Application is approved.

I INTRODUCTION

[1] The Dominion of Canada General Insurance Company applied to the Nova Scotia Utility and Review Board to maintain its rates and risk-classification system for miscellaneous vehicles. Miscellaneous vehicles include all-terrain vehicles; snow vehicles; motorcycles; motorhomes; historic vehicles (or antiques and classic vehicles); and trailers and camper units.

[2] The Board must consider whether the proposed rates and risk-classification system are just and reasonable and in compliance with the *Insurance Act (Act)* and its *Regulations*. The Board is satisfied that Dominion's application meets these requirements and approves the company's proposed rates and risk-classification system.

II ANALYSIS

[3] Dominion applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. Since the filing of this application, Dominion received and responded to Information Requests (IRs) from Board staff. Board staff 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 Dominion. The company reviewed the report and informed Board staff that it had no comments.

[4] Dominion writes policies for very few miscellaneous vehicles; therefore, an actuarial analysis would not provide meaningful results. Dominion relied upon comparisons of average premiums by coverage to those of industry based on the General Insurance Statistical Agency (GISA). Dominion made comparisons for those vehicles

where GISA provided information. Dominion provided comparisons of these average premiums for the years 2014 through 2018. Board staff summarized for the Board's review overall average premium comparisons for 2018 and the average of all five years.

[5] The comparisons showed differences in the overall average premium as well as the average premium by coverages. In some cases, Dominion's average premiums were higher, while in others they were lower. Dominion explained that its mix of business may be different from that of the industry (e.g., Dominion may not accept sport motorcycles, while other companies may) and that may give rise to these differences. Also, the small volumes may make direct comparisons less meaningful. Overall, the Dominion premiums do not appear to be out of line with the industry and appear appropriate.

[6] In the view of Board staff, Dominion supported its proposal to leave its rates unchanged. Board staff recommended the Board approve the proposal.

Automobile Insurance Manual Review

[7] Because Dominion proposed no changes, the existing Automobile Insurance Manual will still apply. Staff reviewed the existing manual and uncovered no areas where the company appears to be in violation of the *Regulations*. The Board does not require a revised manual for this application.

III SUMMARY

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

[9] The Board finds the proposed rates are just and reasonable, and approves them effective January 15, 2020, for both new business and renewal business.

[10] The financial information supplied by Dominion satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the company.

[11] The application qualifies to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The new mandatory filing date for Dominion's miscellaneous vehicles is October 1, 2022.

[12] Dominion missed the filing date for its application, although it did provide a brief note explaining the reason; however, that note was received after hours. The Board expects Dominion to meet the new filing deadline.

[13] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 18th day of November, 2019.



Peter W. Gurnham