

**DECISION**

**2020 NSUARB 130  
M09879**

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

**- and -**

**IN THE MATTER OF AN APPLICATION** by **HARTFORD FIRE INSURANCE COMPANY**  
for approval to change its rates and risk-classification system for private passenger  
vehicles

**BEFORE:** David J. Almon, LL.B., Member

**APPLICANT:** HARTFORD FIRE INSURANCE COMPANY

**FINAL SUBMISSIONS:** October 20, 2020

**DECISION DATE:** November 3, 2020

**DECISION:** Application is approved.

## I INTRODUCTION

[1] Hartford Fire Insurance Company applied to the Nova Scotia Utility and Review Board to change its rates and risk-classification system for private passenger vehicles.

[2] Hartford applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Adopt IAO Rates (Rate Filing Requirements)*. The application to adopt IAO Actuarial Consulting Services Inc. rates that were approved by the Board (M09525) was in satisfaction of Hartford's extended mandatory filing deadline of October 9, 2020, for this class of vehicles (original deadline was October 1, 2020). IAO's application included the required actuarial and territorial analysis required under mandatory filing, and, therefore, the application by Hartford to adopt those rates qualifies to reset its mandatory filing deadline to October 1, 2022, for private passenger vehicles.

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

## II ANALYSIS

[4] Since the application was complete, Board staff did not ask for information requests. 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 Hartford. The company reviewed the report and informed Board staff that it agreed with the recommendations.

[5] Hartford proposed to adopt the recently approved IAO rates and risk classification system for private passenger vehicles without modification. The overall impact on volume of business is 0, since the company does not have any exposures in the Province.

[6] Hartford said that it was appropriate for it to use the Board approved IAO rates because Hartford has no individually rated private passenger vehicles in Nova Scotia.

[7] Hartford proposed no adjustments to IAO's 12% ROE.

[8] Hartford did not propose any adjustment to IAO's expense ratios.

### **III SUMMARY**

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

[10] The Board is satisfied that Hartford's proposal to adopt the current IAO rates and risk-classification system for private passenger vehicles with no adjustments is just and reasonable and approves the changes effective December 15, 2020, for new business.

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

[12] 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 Hartford for private passenger vehicles is October 1, 2022.

[13] An order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 3<sup>rd</sup> day of November, 2020.

  
\_\_\_\_\_  
David J. Almon