

DECISION

**2022 NSUARB 182
M10852**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by TD INSURANCE GROUP for approval to change their rates and risk-classification systems for private passenger vehicles

BEFORE: Julia E. Clark, LL.B., Member

APPLICANT: TD INSURANCE GROUP

FINAL SUBMISSIONS: November 28, 2022

DECISION DATE: December 6, 2022

DECISION: Application is approved.

I INTRODUCTION

[1] The TD Insurance Group, which represents Primmum Insurance Company, Security National Insurance Company, and TD Home and Auto Insurance Company, applied to the Nova Scotia Utility and Review Board to change its endorsement offerings for private passenger vehicles. The terms “TD Insurance Group” and “the company” in this decision refer to all the companies represented by TD Insurance Group in this application.

[2] The Board must consider whether the proposed changes to the endorsements will result in rates and risk-classification systems that are just and reasonable and in compliance with the *Insurance Act (Act)* and its *Regulations*. The Board is satisfied that TD Insurance Group’s application meets these requirements and approves the proposed changes.

II ANALYSIS

[3] TD Insurance Group applied under the Board’s *Rate Filing Requirements for Automobile Insurance – Section 155G Endorsements (Rate Filing Requirements)*. Since the filing of this application, TD Insurance Group received and responded to Information Requests from Board staff. Board staff prepared a report to the Board with recommendations on the application. Before providing the Staff Report to the Board, Board staff shared it with TD Insurance Group. The company reviewed the report and informed Board staff that they had no further comments.

Grand Touring Solution Endorsements

[4] TD Insurance Group proposed changes to the Grand Touring Solution for private passenger vehicles. The company currently offers the Grand Touring Solution as

a bundle of endorsements including SEF#20 Loss of Use, SEF#35 Emergency Service Expense, Legal Liability for damage to Non-Owned Automobiles and Other Coverages when Insured Persons Drive Other Automobiles endorsement, Loss of Use Extension, and Deductible Waiver in case of total loss or hit-and-run.

[5] TD Insurance Group proposes to remove total loss from the Deductible Waiver section of the bundle, and other minor wording changes. The Office of the Superintendent of Insurance is required to approve the language of non-standard endorsements. TD Insurance Group received approval for its proposed changes to the endorsement form, effective April 14, 2023, for new business, and June 13, 2023, for renewal business.

[6] TD Insurance Group also proposed to modify the premium calculation for the Grand Touring Solution from using a flat premium to using two new variables: Base Premium multiplied by Average Vehicle Price on Policy factor, rounded to the nearest dollar. The company determined the proposed Base Premiums and Average Price on Policy factor by relying on the group's 5-year loss experience in the Atlantic provinces, using the actuarial judgement of the company's experts. The changes to this endorsement offering results in a modest overall increase of 0.34%.

[7] Board staff advised that the company's approach to determining the proposed factors was reasonable and recommended approval of all the proposed changes. The Board agrees.

[8] TD Insurance Group proposed effective dates for the changes of February 6, 2023, for new business, and March 23, 2023, for renewal business. These dates are earlier than the effective dates approved by the Superintendent of Insurance for the new endorsement form. The company explained that each change will result in system

updates that require separate implementation processes. The effective dates are intended to align with the implementation of similar changes nationally for the company. There is a small benefit to customers that will retain the Deductible Waiver in case of total loss during the interim period.

[9] The Board agrees with Board staff's recommendation to approve the proposed effective dates.

III SUMMARY

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

[11] The Board finds the proposed changes to TD Insurance Group's endorsements will result in rates that are just and reasonable, and approves the changes effective February 6, 2023, for new business and March 23, 2023, for renewal business.

[12] The application does not qualify to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The mandatory filing date remains at February 1, 2024.

[13] Board staff reviewed TD Insurance Group's Automobile Insurance Manual filed with the Board and did not find any instances where the Manual contravened the *Act* and *Regulations*. The company must file an electronic version of the Manual, updated for the changes approved in this decision, within 30 days of the issuance of the order in this matter.

[14] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 6th day of December, 2022.



Julia E. Clark