

**DECISION**

**2024 NSUARB 136  
M11803**

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

**- and -**

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

**BEFORE:** M. Kathleen McManus, K.C., Ph.D., Member

**APPLICANT:** **BELAIR INSURANCE COMPANY**

**FINAL SUBMISSIONS:** July 16, 2024

**DECISION DATE:** **July 24, 2024**

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

## I INTRODUCTION

[1] On July 11, 2024, Belair Insurance Company applied to the Nova Scotia Utility and Review Board to change its rates and risk-classification system for private passenger vehicles. The company proposes a change to address situations where a client has selected the “Gender X” option on their identification documents. Belair proposed to charge its rates for a female client with the same driver and vehicle characteristics.

[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 Belair’s application meets these requirements and approves the company’s proposed rates and risk-classification system.

## II ANALYSIS

[3] Belair applied under a simplified version of the Board’s *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. Board staff reviewed the application and 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 Belair. The company reviewed the report and informed Board staff that it agreed with the recommendation and had no further comments.

[4] In Nova Scotia, a driver has the choice of recording gender as “X” on the driver’s licence. Belair’s current rating algorithm only recognizes two genders, male and female. If a client selected “Gender X”, Belair would have no way to provide a rate beyond assigning one of these two genders to the client.

[5] To address this problem, Belair proposed to create a “Gender X” option. The “Gender X” rates will equal Belair’s female rates, where applicable. The female rates are generally lower than male rates for the same driving and vehicle characteristics. Belair chose this approach due to lack of credible data to determine “Gender X” rates directly. Belair will revisit this decision once credible data exists.

[6] Belair notes that having “Gender X” specific rates will allow clients to select “Gender X” when quoting with the company. This ability will allow customers to complete a web quote without the need for contacting an agent.

[7] The Board has approved several companies to set a premium for “Gender X” rates. Some companies adopted the proposed Belair approach, while others chose to use the average of male and female rates. With no experience data to base a true “Gender X” rating, the Board allowed these companies to choose either approach. As sufficient experience emerges with “Gender X”, the Board expects companies will revisit their decisions and adjust, if needed, as Belair indicated it would do.

[8] Board staff recommends that the Board approve the proposed use of female rates to determine premiums for “Gender X” operators. The Board approves.

### **III SUMMARY**

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


[10] The Board finds the proposed rates are just and reasonable, and approves the changes effective August 11, 2024, for new business and October 1, 2024, for renewal business.

[11] 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 for Belair for private passenger vehicles stays at October 1, 2024.

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

[13] An order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 24<sup>th</sup> day of July, 2024.



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M. Kathleen McManus