

DECISION

**2024 NSUARB 130
M11735**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **CO-OPERATORS GENERAL INSURANCE COMPANY** for approval to maintain its rates and risk-classification system for motorhomes, antique vehicles and public buses

BEFORE: Bruce H. Fisher, MPA, CPA, CMA, Member

APPLICANT: **CO-OPERATORS GENERAL INSURANCE COMPANY**

FINAL SUBMISSIONS: June 5, 2024

DECISION DATE: **July 17, 2024**

DECISION: **Application is approved.**

I INTRODUCTION

[1] Co-operators General Insurance Company applied to the Nova Scotia Utility and Review Board to maintain its rates and risk-classification system for motorhomes, antique vehicles and public buses.

[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 Co-operators' application meets these requirements and approves the company's proposed rates and risk-classification system.

II ANALYSIS

[3] Co-operators applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval – Minor (Rate Filing Requirements)*. No Information Requests were issued by 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, staff shared it with Co-operators. The company reviewed the report and informed Board staff that it had no further comments.

Eligibility to Use Section 155G – Prior Approval – Minor

[4] To use the Board's *Section 155G – Prior Approval – Minor* filing requirements, the annual written premium for a class of vehicle must be less than the threshold established by the Board. Co-operators provided a comparison of the annual written premium with the Board's annual written premium thresholds for motorhomes and antique vehicles. Board staff advised that both vehicle types are qualified to use the Rate

Filing Requirements. For public buses, the Board allows any annual premium amount to be written using these filing requirements.

Analysis of Support Provided

[5] Co-operators book of business for motorhomes generally would be considered too small to produce a meaningful actuarial analysis. However, the company provided an actuarial analysis of the indicated rate level needs for the Co-operators business combined with that of its sister company, Co-operators General Insurance Company.

[6] The indications suggest rates should increase by 8.6%. Staff recommended the Board use these indications to assess the reasonability of the proposal. Despite the indications, however, Co-operators noted that because even the combined book had very little credibility, the indicated rate change relied mainly on the complement of credibility. For that reason, Co-operators proposed no changes in rates.

[7] For both antique vehicles and public buses, Co-operators did not produce indications. In both cases, the volume of vehicles was too small to produce meaningful indications. Section 155G – Prior Approval Minor applications, where the company proposes no change, do not require any evidence to support that proposal

[8] Board staff recommend that the Board approve Co-operators' proposal to leave rates unchanged for motorhomes, antique vehicles and public buses. The Board agrees.

Automobile Insurance Manual

[9] Co-operators is not proposing any changes to its Automobile Insurance Manual. Staff reviewed the Manual on file and uncovered no areas where the company

appears to be in violation of the *Regulations*. The Board does not require an updated Manual from Co-operators.

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 rates are just and reasonable and approves the rates effective October 9, 2024, for new business and November 8, 2024, for renewals.

[12] The financial information supplied by Co-operators satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposal for no changes is unlikely to impair the solvency of the company.

[13] The application qualifies to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. Co-operators' new mandatory filing date for motorhomes is June 1, 2027.

[14] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 17th day of July, 2024.



Bruce H. Fisher