

**DECISION**

**2024 NSUARB 195  
M11934**

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

**- and -**

**IN THE MATTER OF AN APPLICATION** by **HEARTLAND FARM MUTUAL INC.** for approval to maintain its rates and risk-classification system for all terrain vehicles

**BEFORE:** Jennifer L. Nicholson, CPA, CA, Member

**APPLICANT:** **HEARTLAND FARM MUTUAL INC.**

**FINAL SUBMISSIONS:** November 19, 2024

**DECISION DATE:** **November 25, 2024**

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

## I INTRODUCTION

[1] Heartland Farm Mutual Inc. applied to the Nova Scotia Utility and Review Board to maintain its rates and risk-classification system for all-terrain vehicles (ATV).

[2] Heartland was approved to maintain its rates and risk classification system for commercial and miscellaneous vehicles (motorhomes, snow vehicles and trailers & campers) in the Board's Decision 2024 NSUARB 179. This application is to accomplish the same outcome for ATVs. The Board allows filings under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval Minor Requirements* to satisfy the mandatory filing deadline. The application qualifies to reset the mandatory filing deadline to October 1, 2027, for ATVs.

## II ANALYSIS

[3] Heartland applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval - Minor*. 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 Heartland. The company reviewed the report and informed Board staff that it agreed with the recommendations.

### *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. As Heartland's annual written premium for ATVs is less than the Board threshold, the company is eligible to use these filing guidelines in this matter.

Analysis of Support Provided

[5] In 2021, as a new entrant to the Nova Scotia market, Heartland filed to adopt IAO Actuarial Consulting Services Inc.'s rates as well as risk-classification systems (with adjustments) for commercial and miscellaneous vehicles (ATVs, motorhomes, snow vehicles and trailers & campers). The filings were approved with an effective date of December 1, 2022, for new business (Board's Decisions 2022 NSUARB 49 and 2022 NSUARB 15).

[6] Heartland maintains a small book of business for ATVs to accommodate its existing customers and considers the adopted IAO rates sufficient. Its proposal to maintain the current rates and risk-classification systems appears reasonable. Board staff recommend that the Board approve Heartland's proposal to leave rates unchanged for ATVs. The Board agrees.

**III SUMMARY**

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

[8] The Board finds the proposed rates are just and reasonable, and approves the effective date of January 1, 2025, for new and renewal business for ATVs.

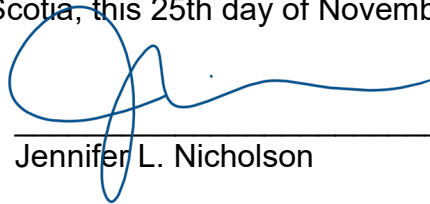
[9] The financial information supplied by Heartland satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the company.

[10] 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 Heartland for ATVs is October 1, 2027.

[11] Board staff reviewed Heartland's Automobile Insurance Manual filed with the Board and did not find any instances where the Manual contravened the *Act* and *Regulations*. With no proposed changes to the manual, the Board does not require an updated manual from Heartland.

[12] An order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 25th day of November 2024.



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Jennifer L. Nicholson