

DECISION

**2024 NSUARB 175
M11906**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **THE PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY** for approval to maintain its rates and risk-classification system for miscellaneous vehicles

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

APPLICANT: **THE PORTAGE LA PRAIRIE MUTUAL
INSURANCE COMPANY**

FINAL SUBMISSIONS: October 3, 2024

DECISION DATE: **October 24, 2024**

DECISION: **Application is approved.**

I INTRODUCTION

[1] On September 27, 2024, The Portage la Prairie Mutual Insurance Company (Portage) applied to the Nova Scotia Utility and Review Board to maintain its rates and risk-classification system for these miscellaneous vehicles: all terrain vehicles; snow vehicles; motorcycles; motorhomes; and trailers and camper units. The company also asked the Board to approve a change to the underwriting rule for all terrain vehicles (ATVs).

[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 Portage's application meets these requirements and approves the company's proposal to maintain its rates and risk-classification system. The Board also approves Portage's proposed change to the underwriting rule for ATVs.

II ANALYSIS

[3] Portage 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 Portage. The company reviewed the report and informed Board staff that it had no comments.

[4] Board staff examined all aspects of the ratemaking procedure to make the recommendations in the Staff Report. Board staff considers that Portage satisfactorily addressed all other aspects of the ratemaking procedure in its application.

[5] The Board will examine the following issues in this decision:

- Eligibility to use *Section 155G – Prior Approval – Minor Rate Filing Requirements*;
- Proposed rates; and,
- Change to underwriting rule for ATVs.

Eligibility to Use Section 155G – Prior Approval – Minor Rate Filing Requirements

[6] The Board permits the use of a *Section 155G – Prior Approval – Minor Rate Filing Requirements* when the annual written premium for a class of vehicle is less than the threshold established by the Board. Portage met the threshold and is qualified to use these filing requirements.

[7] Board staff recommends the Board approve Portage's use of *Section 155G – Prior Approval – Minor Rate Filing Requirements* for its filing. The Board agrees.

Proposed Rates

[8] Portage maintains small books of business for these miscellaneous vehicles and therefore proposed no rate changes. Board staff found that the company's proposal to maintain the current rates and risk-classification systems was reasonable. Board staff recommends that the Board approve Portage's proposal not to change its rates for these miscellaneous vehicles. The Board agrees.

Change to Underwriting Rule for ATVs

[9] Portage proposed to remove "four seat side by side" from the types of risks that it did not wish to write for all terrain vehicles (ATVs). This change reflects the company's risk tolerance. The proposed change does not have impacts on rates and does not violate the *Act* or its *Regulations*.

[10] Board staff recommends the Board approve this proposed underwriting rule change. The Board agrees.

III SUMMARY

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

[12] The Board finds the proposal to maintain current rates are just and reasonable, and approves the proposal effective March 1, 2025, for new and renewal business.

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

[14] 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 Portage for miscellaneous vehicles is October 1, 2027.

[15] Board staff reviewed Portage'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 its Manual, updated for the change approved in this decision, within 30 days of the issuance of the order in this matter.

[16] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 24th day of October, 2024.



M. Kathleen McManus