

**DECISION**

**2025 NSUARB 40  
M12007**

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

**- and -**

**IN THE MATTER OF AN APPLICATION** by **XL SPECIALTY INSURANCE COMPANY**  
for approval to maintain its rates and risk-classification system for commercial vehicles,  
interurban trucks and miscellaneous vehicles

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

**APPLICANT:** **XL SPECIALTY INSURANCE COMPANY**

**FINAL SUBMISSIONS:** January 6, 2025

**DECISION DATE:** **February 21, 2025**

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

## I INTRODUCTION

[1] XL Specialty Insurance Company (XLS) applied to the Nova Scotia Utility and Review Board to maintain its rates and risk-classification system for commercial vehicles, interurban trucks and miscellaneous vehicles.

## II ANALYSIS

[2] XLS applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval - Minor (Rate Filing Requirements)*. After the initial review, Board staff determined it had enough information to complete its review 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 XLS. The company reviewed the report and informed Board staff that it had no comments.

### *Eligibility to Use Section 155G – Prior Approval – Minor*

[3] 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. Because XLS has not insured any of these vehicles, it qualifies to use these filing guidelines.

### *Analysis of Support Provided*

[4] XLS maintains rates and risk-classification systems for these vehicles in case a large fleet customer wants to insure one of these vehicles. In 2022, the Board approved XLS to use the then current IAO Actuarial Consulting Inc. Aon Canada Inc. (IAO) rates and risk-classification systems for these vehicles.

[5] While XLS could have chosen to adopt the most recently approved IAO rates, given the lack of business, it would not be prudent to incur the cost of adopting new rates. That is, XLS would not have any insured vehicles on which to recover the expense incurred to adopt new rates. As such, the XLS proposal to leave its rates and risk-classification system unchanged for these vehicles seems reasonable in the circumstances.

[6] For *Section 155G – Prior Approval Minor* applications, where the company proposes no change, the Board does not require any evidence to support that proposal and XLS did not provide any.

[7] Board staff recommends the Board approve the proposal for no change to its rates or risk-classification systems for commercial vehicles, interurban trucks, and miscellaneous vehicles.

### **III SUMMARY**

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

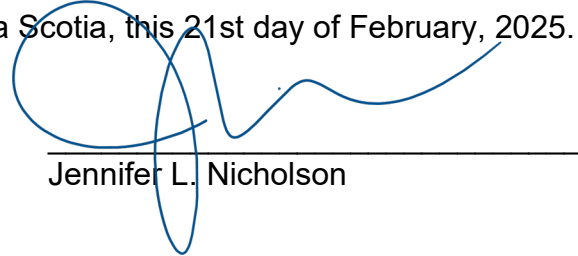
[9] The Board finds the proposed rates are just and reasonable, and approves them effective March 1, 2025, for new business.

[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 XLS for commercial vehicles, interurban trucks and miscellaneous vehicles is December 1, 2027.

[11] Given the company proposed no changes, the Board does not require XLS to provide a revised manual for this matter.

[12] An order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 21st day of February, 2025.



Jennifer L. Nicholson