

DECISION

**2024 NSUARB 106
M11730**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **INTACT INSURANCE COMPANY** for approval to change its endorsement offerings for private passenger vehicles

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

APPLICANT: **INTACT INSURANCE COMPANY**

FINAL SUBMISSIONS: May 31, 2024

DECISION DATE: **June 19, 2024**

DECISION: **Application is approved.**

I INTRODUCTION

[1] On May 28, 2024, Intact Insurance Company (Intact) applied to the Nova Scotia Utility and Review Board to modify an endorsement, and the endorsement bundles in which it is included, for private passenger vehicles.

[2] The Board must consider whether the modified endorsement will result in rates and risk-classification systems that are just and reasonable and in compliance with the *Insurance Act* and its *Regulations*. The Board is satisfied that Intact's application meets these requirements and approves the proposed modifications.

II ANALYSIS

[3] Intact applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Endorsements (Rate Filing Requirements)*.

[4] Board staff reviewed the application and prepared a report for the Board with recommendations on the application (Staff Report). Before providing the Staff Report to the Board, Board staff shared it with Intact. The company reviewed the report and informed Board staff that it had no further comments.

[5] Intact offers a Roadside Assistance Endorsement. Under the endorsement, Intact arranges for and covers the costs of the roadside assistance services (i.e., battery boosting, towing due to mechanical breakdown, gas delivery, tire change, lockout assistance and extracting a stuck automobile). However, if the client arranges the service or chooses a service provider outside of the company's third-party vendors, Intact will reimburse the client, but will limit reimbursements to \$100 per event and \$400 annually.

[6] Intact proposed to change the reimbursement limits to \$150 per event and \$600 annually. The company referred to the Board's prior approval of a premium increase

of \$15 for this endorsement based on the increased cost of towing services, and the expected increases as it revised its contract with its external roadside assistance provider [2024 NSUARB 53]. Intact wants to increase the reimbursement limits, without an associated premium increase, to ensure its clients have adequate limits to cover the cost of vendor inflation, in the event they select a vendor other than an Intact third-party vendor and require reimbursement for those costs.

[7] Intact also offers bundles of endorsements, referred to as Plus Pac Options, which include this Roadside Assistance Endorsement (i.e., Plus Pac Options C, D and E). The reimbursement limits will be changed in those bundles as well.

[8] Intact's proposal required changes to the wording of the non-standard endorsement and the non-standard endorsement bundles. These changes would replace \$100 with \$150 and \$400 with \$600 where the reimbursement limits are stated. The Office of the Superintendent of Insurance provided its approval of the wording changes on May 7, 2024.

[9] Board staff recommends the Board approve the proposed increase to the reimbursement limits for the Roadside Assistance Endorsement and the bundles in which it is included. The Board agrees.

III SUMMARY

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

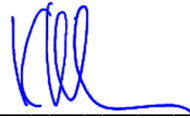
[11] The Board finds the proposed modification of the endorsement is just and reasonable, and approves the changes effective September 10, 2024, for new business and October 10, 2024, for renewal business.

[12] 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 Intact for private passenger vehicles stays at December 1, 2025.

[13] Board staff reviewed Intact'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 changes approved in this decision, within 30 days of the issuance of the order in this matter.

[14] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 19th day of June, 2024.



M. Kathleen McManus