

## Information Bulletin 07-04

February 28, 2007

This bulletin highlights determinations by the Nova Scotia Insurance Review Board (the Board) that affect industry. This publication is not a legal document. It contains general information and is provided for convenience and guidance in applying the *Insurance Act* (Chapter 231 of the Revised Statutes of Nova Scotia, 1989, as amended) (the *Act*), and Regulations. In all circumstances reference should be made to the legislation.

### Section 155H - Expedited Approval

Section 155H of the *Act* provides for an insurer to submit an application for expedited approval of a proposed rate change. To be eligible, the average of the proposed rates cannot exceed the average of the current rates being charged by the insurer by more than a percentage that is prescribed by the Board.

The Board has prescribed the percentage required under subsection 155H(1) of the *Act*. The Board considered advice surrounding prospective loss cost and premium trends as well as the current level of rate adequacy as evidenced by industry (IBC/GISA) statistics. The prescribed percentage is

#### **0% on an “All Coverage Combined” basis.**

An insurer can make an application for a rate change under Section 155H of the *Act* if the “all coverages combined” rate change is less than or equal to 0%. The application made under this section would be filed in accordance with the attached “Rate Filing Requirements for Automobile Insurance – Section 155H Expedited Approval”. Board staff will check the application for completeness and compliance with the filing requirements. If deemed complete, the insurer will receive notification that the 30-day approval period specified in the *Act* has begun. The Board will review the application and provide an Order either approving or rejecting the application. If an application is rejected, the insurer may submit either another application under section 155H or an application under 155G, which must comply with the “Rate Filing Requirements for Automobile Insurance - Prior Approval” that can be found on the Board’s website ([www.gov.ns.ca/NSIRB](http://www.gov.ns.ca/NSIRB)).

An application under 155H cannot include

- risk-classification system changes,
- rating rule changes,
- rating algorithm changes,
- introduction of, elimination of or changes to the eligibility criteria for discounts or surcharges, or
- introduction of, elimination of, or changes to a risk-classification system based on group membership (excluding changes in the level of the discounts for existing group classes).

An application including any of these items must be filed under section 155G of the Act using the “Rate Filing Requirements for Automobile Insurance - Prior Approval”

Donna Boutilier  
Executive Officer