

DECISION

**2025 NSUARB 59
M12130**

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 rates for private passenger vehicles

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

APPLICANT: **INTACT INSURANCE COMPANY**

FINAL SUBMISSIONS: March 12, 2025

DECISION DATE: **March 31, 2025**

DECISION: **The application is approved.**

I INTRODUCTION

[1] On March 5, 2025, Intact Insurance Company (Intact) applied to the Nova Scotia Utility and Review Board to change its rates for private passenger vehicles. The company proposed rate changes that vary by coverage and result in an overall increase of 4.99%.

[2] The Board must consider whether the proposed rates are just and reasonable and in compliance with the *Insurance Act (Act)* and its *Regulations*. The Board is satisfied that Intact's application meets these requirements and approves the proposed changes to the company's rates.

II ANALYSIS

[3] Intact applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155H Expedited Approval (Rate Filing Requirements)*. Section 155H of the *Insurance Act* permits an insurer to apply for rates to be approved on an expedited basis if the average of the proposed rates for each coverage and category of automobile insurance does not exceed an amount that is prescribed by the Board. The Board currently allows expedited approval applications for changes to rates for private passenger vehicles that are less than or equal to 5% on an all coverages combined basis. The company's proposed increases are 4.99%. This application is the first Section 155H application made by Intact since its last major filing. The application, therefore, meets the Board qualifications for a Section 155H - Expedited Approval application.

[4] Board staff reviewed the application 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 Intact. The company reviewed the report and

informed Board staff that it had no comments other than pointing out a footnote error that was corrected in the Staff Report.

[5] Intact relied on the residual of Board-approved indications from its last filing (2024 NSUARB 153), updated for net trend (i.e., loss trend net of premium trend). Those indications are appropriate to be used in this application. When determining the net trend, the company relied on loss trends published by the Board's consulting actuary's December 2023 based report and premium trends derived from their own experience.

[6] The Board notes that the proposed overall increase requested by Intact in this application, when combined with the approved changes from its last filing, still results in lower rates than the Board-approved indications from the previous application would produce.

Changes to Base Rates

[7] In this application, apart from Bodily Injury, the proposed increases are lower than the residual indication. The change for Bodily Injury is higher than indicated. Intact, however, considers Bodily Injury and Property Damage-Tort together when selecting the proposed rate change. The company set the proposed increase for Bodily Injury and Property Damage-Tort equal to the indicated level for the combination of the two coverages. Since both are mandatory coverages, this approach is acceptable.

[8] As the overall proposed change is lower than the updated residual indications, the return on equity will be below the Board-allowed level of 10%.

[9] The proposed changes, therefore, follow the *Rate Filing Requirements* and Board Staff has recommended the approval of the rates proposed by Intact in this application. The Board agrees.

[10] The Board notes this is the only Section 155H-Expedited Approval application that Intact can make without providing updated actuarial indications in a Section 155G Prior Approval filing.

Automobile Insurance Manual Changes

[11] Intact made no changes to its Automobile Insurance Manual. Board staff reviewed the current manual and found no areas where the company was in violation of the *Insurance Act* or its *Regulations*.

[12] Because the proposal results in no change to the Automobile Insurance Manual, the Board does not require Intact to provide a complete revised Manual.

III SUMMARY

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

[14] The Board finds the proposed rates are just and reasonable, and approves the changes effective June 7, 2025, for new business and July 7, 2025, for renewal business.

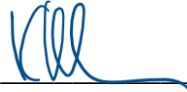
[15] The financial information submitted satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of either company.

[16] As noted, this application is the only expedited approval application that Intact can use for private passenger vehicles without providing a new indicated rate level change analysis. Further, an application for expedited approval under the *Rate Filing Requirements* does not qualify to set a new mandatory filing date under the *Mandatory*

Filing of Automobile Rates Regulations. The mandatory filing date for Intact for private passenger vehicles remains December 1, 2025.

[17] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 31st day of March 2025.



M. Kathleen McManus