DECISION **2026 NSRAB 79**
M12865 & M12866

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **INSURANCE COMPANY OF PRINCE EDWARD ISLAND** for approval to change its rates and risk-classification system for commercial vehicles

- and -

IN THE MATTER OF AN APPLICATION by **INSURANCE COMPANY OF PRINCE EDWARD ISLAND** for approval to change its rates and risk-classification system for private passenger vehicles

BEFORE: Julia E. Clark, LL.B., Vice Chair

APPLICANT: **INSURANCE COMPANY OF PRINCE EDWARD ISLAND**

FINAL SUBMISSIONS: May 28, 2026

DECISION DATE: **June 8, 2026**

DECISION: **Applications are approved.**

I INTRODUCTION

[1] The Insurance Company of Prince Edward Island (ICPEI) applied to the Nova Scotia Regulatory and Appeals Board (Board) to add the Good Driver Guarantee endorsement for commercial vehicles and private passenger vehicles, to correct an error in the description of the Legal Liability for Non-owned Automobiles endorsement for private passenger vehicles, and to make related changes to its Automobile Insurance Manuals.

[2] The Board must consider whether the proposed changes will result in rates and risk-classification systems that are just and reasonable and in compliance with the *Insurance Act* (*Act*) and its *Regulations*. The Board is satisfied that ICPEI's applications meet those requirements and approves the proposed changes to the endorsements.

II ANALYSIS

[3] ICPEI applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Endorsements* (*Rate Filing Requirements*) for changes to its commercial vehicle endorsements (M12865) and private passenger vehicle endorsements (M12866). Since the filing of these applications, ICPEI received and responded to Information Requests (IRs) from Board staff. Board staff prepared reports to the Board with recommendations on the applications (Staff Reports). Before providing the Staff Reports to the Board, Board staff shared them with ICPEI. The company reviewed the reports and informed Board staff that it had no comments. Due to the similarities in the two applications, the Board combined its findings on both matters in this decision.

NSEF#39 – Accident Rating Waiver Endorsement

[4] For both commercial vehicles and private passenger vehicles, ICPEI proposed to introduce a new endorsement it calls the "Good Driver Guarantee", which takes the form of the standard NSEF #39 – Accident Rating Waiver Endorsement. For risks that qualify for the endorsement, the company will waive the rating impact of a first at-fault accident so the premium charged will not increase on renewal. The Good Driver Guarantee will be removed from the policy at renewal following the first at-fault accident, and subsequent accidents will affect the driving record and rating according to the standard provisions.

[5] ICPEI will not charge a premium for the Good Driver Guarantee endorsement and will provide it to all eligible risks. There are several criteria that determine eligibility, including that the driver must not have been convicted of certain traffic offences in relation to the accident, or other convictions within three years preceding the accident. The driver responsible for the at-fault claim must be a listed driver on the policy to qualify.

[6] Because ICPEI is using the standard wording for the NSEF #39 endorsement (under a different branded name), this is not considered a new endorsement and does not require approval of the Superintendent of Insurance.

[7] The endorsement applies to all eligible risks for private passenger vehicles. The endorsement will only be available to light commercial vehicles in classes 33, 35, 36, and light class 44 vehicles. Heavy commercial vehicles are considered a much higher risk given their distinct usage and ICPEI will not offer the endorsement on policies for those vehicles. ICPEI indicated that it was not aware of any other insurers offering this

endorsement for heavy commercial vehicles. The endorsement will not apply to Miscellaneous Vehicles or Trailers.

[8] The Board approves ICPEI's introduction of the Good Driver Guarantee using the standard wording of NSEF #39 – Accident Rating Waiver Endorsement, as well as the proposal to offer the endorsement to eligible risks at no cost.

NSEF#27 – Legal Liability for Damage to Non-owned Automobile Endorsement

[9] ICPEI asked the Board to correct an error in its Automobile Insurance Manual that impacts private passenger vehicles. The NSEF#27 – Legal Liability for Damage to Non-owned Automobile Endorsement extends coverage when a driver rents a car valued up to a maximum amount ($100,000). The description of the endorsement in the Manual indicates "Coverage on the rented or borrowed vehicle is Collision and Comprehensive at $500 deductible." However, ICPEI stated that its version of the endorsement does not provide Comprehensive coverage. It seeks to amend this section to remove the reference to Comprehensive, keeping the deductible for Collision at $500.

[10] The change does not result in any change in premium because ICPEI has not provided Comprehensive coverage on non-owned automobiles and the change merely corrects the inclusion of Comprehensive in the Manual. The Board approves the amendment.

III SUMMARY

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

[12] The Board finds the proposed changes to ICPEI's endorsements will result in rates that are just and reasonable, and approves the changes effective August 1, 2026, for new and renewal business.

[13] The applications do not qualify to set a new mandatory filing dates under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The mandatory filing date for ICPEI for private passenger vehicles stays at March 1, 2027. The mandatory filing date for commercial vehicles stays at March 1, 2028.

[14] Board staff reviewed ICPEI's Automobile Insurance Manuals filed with the Board and did not find any instances where either Manual contravened the *Act* and *Regulations*. The company must file an electronic version of its Manuals, updated for the changes approved in this decision, within 30 days of the issuance of the order in this matter.

[15] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 8th day of June 2026.

Julia E. Clark