DECISION **2026 NSRAB 114**
M12939

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

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

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

APPLICANT: **THE PERSONAL INSURANCE COMPANY**

FINAL SUBMISSIONS: July 23, 2026

DECISION DATE: **August 24, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] The Personal Insurance Company (TPIC) applied to the Nova Scotia Regulatory and Appeals Board to change its rates and risk-classification system for private passenger vehicles. The company proposes rate changes that vary by coverage and result in an overall increase of 14.8%. In addition to changes to rates, the company also asks the Board to approve TPIC's continued use of the approved renewal premium dislocation caps.

[2] The Board must consider whether the proposed rates and risk-classification system are just and reasonable and in compliance with the *Insurance Act* (*Act*) and its *Regulations*. The Board is satisfied that TPIC's application meets these requirements and approves the company's proposed rates, risk-classification system, and the renewal premium dislocation caps.

II ANALYSIS

[3] TPIC applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval* (*Rate Filing Requirements*) on July 2, 2026. Since the filing of this application, TPIC received and responded to Information Requests (IRs) from Board staff. Board staff 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 TPIC. The company reviewed the report and suggested Board Staff include additional information about the negative renewal premium dislocation cap proposal that had been omitted from the draft report. Board staff revised the Staff Report to include the information prior to submitting it to the Board.

[4] The Board will examine the following issues in this decision:

- Comparison of Proposed Rates to Recommended Indications;
- Adoption of 2026 CLEAR Table;
- Renewal Premium Dislocation Caps; and
- Automobile Insurance Manual Update.

Comparison of Proposed Rates to Recommended Indications

[5] TPIC proposed base rate changes that are uniform by territory but vary by coverage. The proposed changes result in an overall increase of 14.8%. The company based this proposal on revised actuarial indications that suggested the increase should be marginally higher.

[6] Board staff reviewed the company's rate level indications and all aspects of the ratemaking procedure. After asking clarifying questions through the information request process, Board staff recommended the Board use TPIC's indications as the target against which to review whether the proposed changes are appropriate. The Board reviewed the proposed changes for each coverage against the indications. TPIC proposed changes that matched the indications in all cases, except Uninsured Motorist and the Family Protection Endorsement SEF #44. For those two coverages, TPIC proposed to forego a small increase in favour of maintaining rate stability. As a result, the proposed rates produce a return on equity of 9.8%, which falls just below the 10% target.

[7] TPIC proposed an increase in the charge for the Health Services Levy to match the indicated change required to recognize the most recent information for that levy.

[8] The company supported its proposal, and the Board approves the proposed changes to base rates and the Health Services Levy charge.

Adoption of 2026 CLEAR TABLE

[9] The company currently uses the 2024 Canadian Loss Experience Automobile Rating (CLEAR) table with Collision, Direct Compensation Property Damage and Comprehensive separated to assign rate groups to physical damage coverages and Accident Benefits. TPIC proposed to adopt the 2026 version of the table, which was approved for use by the Board in November 2025.

[10] Rather than make a separate filing to adopt the 2025 CLEAR table last year, the company elected to make the update to the most recent table in its mandatory biennial filing, while off-balancing the related impacts. TPIC explained its intention to periodically update the CLEAR tables it uses to ensure its rate group assignments stay current.

[11] The Board approves the adoption of the 2026 CLEAR table as proposed.

Renewal Premium Dislocation Caps

[12] TPIC currently applies a premium dislocation cap that automatically limits premium increases at renewal to 20% on any individual risk where the increase would exceed $50. The company also applies a cap on premium decreases at renewal. The company proposed to continue to use this same renewal premium dislocation cap methodology, which was approved by the Board in its decision on TPIC's last private passenger vehicle application (2025 NSRAB 69).

[13] The company demonstrated that the extra premium collected from the cap on decreases was less than the premium forgiven under the cap on increases. This result demonstrates compliance with the Board requirement for the use of a cap on decreases. The Board approves the continued use of these renewal premium dislocation caps.

Automobile Insurance Manual Changes

[14] The company proposed to update its Accident-Free Protection endorsement driving record rules in its Automobile Insurance Manual. TPIC confirmed in an IR response to Board Staff that the revisions add an explanation of its current practice. The rules did not previously appear in the Manual and there is no impact on rates or the risk classification system.

[15] Board staff reviewed the proposed changes, as well as TPIC's Automobile Insurance Manual filed with the Board, and did not find any instances where the Manual or proposed revisions would contravene the *Act* and *Regulations*.

[16] The Board approves the proposed Manual change.

III SUMMARY

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

[18] The Board finds the proposed rates are just and reasonable, and approves the changes effective October 29, 2026, for new business and December 28, 2026, for renewal business.

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

[20] The application qualifies to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. According to the Board's practice, the new mandatory filing deadline for TPIC for private passenger vehicles will be July 1, 2028.

[21] 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.

[22] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 24th day of August 2026.

Julia E. Clark