

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **AVIVA INSURANCE COMPANY OF CANADA** for approval to change its rates and risk-classification system for motorhomes

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

APPLICANT: **AVIVA INSURANCE COMPANY OF CANADA**

FINAL SUBMISSIONS: September 2, 2026

DECISION DATE: **October 13, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] Aviva Insurance Company of Canada (Aviva) applied to the Nova Scotia Regulatory and Appeals Board to change its rates and risk-classification system for motorhomes. The company proposes rate changes that vary by coverage and result in an overall uncapped increase of 2.9%.

[2] In addition to changes to rates, the company also asks the Board to approve the transition to one common rating structure. On January 1, 2026, Aviva amalgamated Elite Insurance Company and Traders General Insurance Company under the Aviva Brand. Former Elite policies were rebranded as Aviva Lifestyle and Traders General policies were rebranded as Aviva General, while Aviva continued to use the approved rates for the original entity. This filing proposes to bring the three business lines under a common “Aviva Lifestyle” rating structure for motorhomes.

[3] To facilitate the transition, Aviva also asks the Board to approve a new minimum premium for motorhomes, changes to its premium formula for All Perils coverage, the introduction of a \$500,000 liability limit option, changes to various discount offerings, changes to its Emergency Roadside Assistance Endorsement, and updates to its Automobile Insurance Manual. Aviva also seeks to introduce a renewal premium dislocation cap, which would lower the proposed overall rate increase from 2.9% to 2.7%

[4] 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 Aviva’s application meets these requirements and approves the company’s proposed rates and risk-classification system for motorhomes.

II ANALYSIS

[5] Aviva applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. Since the filing of this application, Aviva 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 Aviva. The company reviewed the report and informed Board staff that it had no further comments on the recommendations.

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

- Proposed rate changes
- Minimum premium
- All Perils Premium Formula
- Changes to Vehicle Rate Group Determination
- Changes to Liability Limits
- Changes to Discounts
 - Alignment of Multi-line Discount and Lifestyle Bundle Discount
 - Replacement of Aviva Group Tier Discount
 - Removal of KAO discount
- Changes to Emergency Roadside Assistance Endorsement
- Renewal Premium Dislocation Cap

Proposed Rate Changes

[7] In this application, Aviva seeks to transition its three business lines – Aviva, Aviva Group, and Aviva Lifestyle, to a common rate structure for motorhomes. Aviva and Aviva Group are intended to shift to the Aviva Lifestyle rating structure. Aviva proposed changes to its base rates and differentials, which vary by coverage, but not by territory, and changes to its risk classification system that result in an overall rate increase of 2.9%.

[8] Because the company's portfolio of motorhomes was too small to allow for meaningful actuarial analysis, Aviva compared the average premium by coverage for its

portfolio to that of the industry from the General Insurance Statistical Agency (GISA). The analysis shows that for mandatory coverages, Aviva's average premiums are below industry levels. However, for optional coverages other than Collision, Aviva's average premiums are higher, resulting in an overall average premium significantly higher than the industry data presented.

[9] Aviva explained that its motorhome portfolio carries a significantly higher proportion of optional physical damage coverages than the industry. As a result, the company's overall average premium is materially higher, as should be expected. Additionally, differences in factors like motorhome value, vehicle age, and motorhome class can impact premium levels, leading to a comparison problem.

[10] Although Aviva did not complete a full indication calculation for this application, the company advised that its projections on its most recent indications suggest a higher increase is needed as of July 1, 2026. This projection suggests remaining underlying rate pressures as claims mature and expenses are recognized. Aviva's position is that the requested increase is a measured response to ongoing inflationary pressures impacting claims costs and overall portfolio performance.

[11] Aviva supported the proposed increase, and the Board approves it.

Minimum Premium

[12] Aviva proposed to raise the minimum premium for Aviva and Aviva Group to equal the \$420 minimum premium currently in place for Aviva Lifestyle. A minimum premium is intended to address basic fixed expenses and losses where the calculated premium would be less than the minimum. The current level was approved by the Board for Elite in its decision in 2024 NSUARB 95. Aviva clarified that less than 5% of the motorhome policies over its three categories have a premium less than \$420.

[13] Board staff recommended the Board approve the increase. The Board approves the minimum premium for motorhomes at the proposed level of \$420.

All Perils Premium Formula

[14] Aviva's All Perils policies provide coverage like the combination of Collision and Comprehensive. Aviva proposed to charge the sum of Collision and Comprehensive premiums, without a discount. This is a common approach among companies, and the Board approves the formula for All Perils.

Changes to Vehicle Rate Group Determinations

[15] Aviva proposed a change to its method of assigning vehicle rate groups for physical damage coverages. It currently assigns a vehicle rate group by using the vehicle value recorded by the broker during the quote stage, without accounting for depreciation.

[16] Aviva proposed to reflect depreciation by applying a standardized methodology using the J.D. Power Valuation Services Inc. valuation process (formerly NADA RV values) to establish a United States dollar value, converted to Canadian dollars. For new business, motorhomes eligible for replacement cost coverages plans will use List Price derived from the J.D. Power values. Cash-value coverage plans will use the depreciated value determined by multiplying the List Price by a rating value. Existing policies will use the price carried forward from the legacy system for replacement cost while actual cash value will consider a similar vehicle depreciation assuming the price is the current market value.

[17] The Board finds the approach reasonable and approves it.

Changes to Liability Limits

[18] Aviva proposed to adopt the Aviva Lifestyle liability limits for all lines of business. The lowest current limit for Aviva Lifestyle is \$1,000,000. Because the minimum

liability limit in Nova Scotia is \$500,000, and Aviva and Aviva Group both currently offer that level, Aviva Lifestyle will introduce a \$500,000 liability limit for motorhomes.

[19] All three lines will use the revised Aviva Lifestyle limits and differentials, which were determined by applying the ratio of the \$500,000 limit differential to the \$1,000,000 limit differential for Aviva/Aviva Group to the Aviva Lifestyle \$1,000,000 limit differential. The premium for the \$500,000 limit for SEF #44 will be set at the Aviva/Aviva Group premium (\$1.00).

[20] The Board approves the proposed adoption of the Aviva Lifestyle limit differentials with the addition of the \$500,000 limit option.

Discounts

[21] Aviva proposed to replace its current Multi-Line Discount, which applies when a customer with a motorhome policy insures either a car or a home, with its Lifestyle Bundle Discount. The Lifestyle Bundle Discount provides a similar discount to customers who bundle a motorhome policy with other eligible products, including home insurance and other lifestyle automobile products.

[22] This change essentially rebrands and consolidates an existing discount, and the Board approves it.

Replacement of the Aviva Group Tiered Discount

[23] Currently, to assign a discount for group business, Aviva uses the same tiered discount system for motorhomes as it does for private passenger vehicles (PPV). It proposed to simplify this process by offering a flat 10% discount for any Group business.

[24] As part of its system consolidation, Aviva has updated its PPV Group tier definitions and associated factors. Instead of applying the PPV tiers directly to its miscellaneous vehicle products, Aviva will analyze its experience, monitor loss trends and

any expense efficiencies attributable to the group programs, and reassess the discount approach as credible experience emerges.

[25] Aviva will also consolidate its Employee Discount into the Group Discount and assign the same flat rate. Aviva notes that no current motorhome risks are eligible for the Employee Discount so there will be no impact from that change. For other groups, the company provided a table showing the national motorhome risks currently receiving the tiered discount and the impact of the change to a flat 10% discount. The data showed a modest decrease in the overall aggregated discount.

[26] Board staff recommend the Board approve replacement of the tiered Group Discount with the flat discount proposed. The Board agrees with company's justification that this approach balances the expected group-related benefits with the need to ensure that a discount remains actuarially supportable for the policies in question.

Changes to Emergency Roadside Assistance Endorsement

[27] Aviva offers an Emergency Roadside Assistance Endorsement that provides roadside assistance coverage. Currently, each risk covered by the endorsement must pay the current premium. With the move to its new administration network, Aviva proposes to apply the premium on a "per-policy" basis, so that all motorhome risks on the same policy would be covered with a single premium. Aviva proposed to align the premium rate with the amount it charges for property trailers. It believes the experience would be comparable.

[28] Board staff recommend the approval of the changes to the endorsement premium approach. The Board agrees.

Renewal Premium Dislocation Cap

[29] Aviva proposed to introduce a renewal premium dislocation capping mechanism that caps premium increases at 10% and premium decreases at 20%. Aviva expects that all clients will reach their true premium within two years of renewals under the capping structure, at which point the company expects to remove it.

[30] Aviva demonstrated that the premium foregone by the cap on premium increases exceeds the extra revenue collected from the cap on decreases, as required by the Board. That is, the application of the capping mechanism lowers the uncapped increase of 2.9% to 2.7%. The Board approves the proposed renewal premium dislocation capping mechanism for motorhomes.

Automobile Insurance Manual Changes

[31] In addition to the changes required to accommodate the issues addressed in this decision, Aviva proposed to revise its Automobile Insurance Manual to include a dedicated miscellaneous vehicle section. Other proposed changes harmonize wording across the country, reflect the company's preference to write certain risks, and adjust the company's underwriting approaches for miscellaneous vehicles.

[32] After reviewing the current Aviva Lifestyle Manual and the proposed changes, Board staff found no violations of the *Act* or *Regulations*. The Board approves the changes to the Automobile Insurance Manual and directs Aviva to provide an electronic version of the Manual, updated with the changes approved in this decision, within 30 days of the Board's Order in this matter.

III SUMMARY

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

[34] The Board finds the proposed rates are just and reasonable, and approves the changes effective May 15, 2027, for new business and renewals.

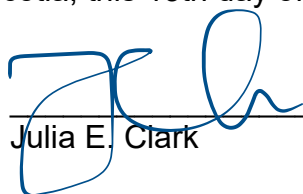
[35] The financial information supplied by Aviva satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the company.

[36] The application qualifies to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The new mandatory filing date for Aviva for motorhomes is July 1, 2029.

[37] The company must file an electronic version of its Automobile Insurance Manual, updated for the changes approved in this decision, within 30 days of the issuance of the order in this matter.

[38] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 13th day of October 2026.



Julia E. Clark