

DECISION

**2026 NSRAB 65
M12788**

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

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

BEFORE: Marc L. Dunning, P.Eng., LL.B., Member

APPLICANT: **BELAIR INSURANCE COMPANY**

FINAL SUBMISSIONS: April 17, 2026

DECISION DATE: **April 29, 2026**

DECISION: **The Application is approved.**

I INTRODUCTION

[1] Belair Insurance Company (Belair) applied to the Nova Scotia Regulatory and Appeals Board (Board) to change its rates and risk-classification system for private passenger vehicles by removing its New Business Type Discount for new business.

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

II ANALYSIS

[3] Belair applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G – Discounts & Surcharges*. Since the filing of its application, Belair 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 Belair. The company reviewed the report and informed Board staff that it had no further comments.

Proposal

[4] Belair proposes removing its New Business Type Discount for new business while leaving it in effect for those existing policies that have currently earned it.

Analysis

New Business Type Discount

[5] Belair currently offers a New Business Type Discount that provides a 7% reduction in premiums for new business. At each subsequent renewal, the discount reduces by 1.75% until it reaches zero at the fourth renewal. Belair introduced this

discount as a competitive measure to support acquisition of risks with favourable payment history, i.e. those with no non-pay cancellations in the prior three years. This discount is one of several discounts Belair offers to new business clients.

[6] Belair entered the Nova Scotia market in the fourth quarter of 2023 by merging the business of Trafalgar Insurance Company and Unifund Assurance Company. Since that time, Belair observed a significant growth in the proportion of new business risks within the portfolio and the buying ratio, which is calculated as the number of quotes that result in a new policy divided by the number of quotes produced.

[7] Belair's marketing strategies have changed the nature of its new business mix. Belair noticed an influx of less experienced drivers. It noted that the average driver age of the portfolio and for the cohort of new business declined but by less than that observed for driving experience. Belair asserts that this demonstrates the company is writing more younger, newly licensed drivers than would be observed if the shift was proportional to the age-demographics of the portfolio. It has concerns that the growth in newly licensed new business risks may have an adverse impact on profitability or at least raise concerns about the rate adequacy for these risks.

[8] Belair undertook a one-way analysis of its experience from 2021 through 2025 for all coverages combined. The company chose to examine loss ratios, undeveloped and untrended, to identify the relative difference in claims experience. That analysis suggested that the loss claims experience for new business was worse than for renewals. These observations suggest that the premiums need to increase for new business. Belair used this to support its proposal to remove the discount.

[9] Given the New Business Type Discount was a competition-driven discount while other new business discounts had a targeted purpose, i.e. either acknowledging lower expenses or rewarding loyalty previously displayed, the company opted to remove it.

[10] To avoid unduly impacting those risks who currently have the New Business Type Discount, Belair proposes only removing the discount for new business. As a result, the proposed change will have no overall impact and no off-balancing is needed.

[11] Board staff reviewed the analysis provided and the responses to the IRs and determined that the analysis supports the removal of the discount. Board staff recommend the Board approve the proposed removal of the New Business Type Discount for new business while leaving it in place for those who currently have it. The Board agrees.

III SUMMARY

[12] The Board finds that the application follows the *Act* and *Regulations* as well as the *Rate Filing Requirements for Automobile Insurance – Section 155G – Discounts & Surcharges*.

[13] The Board finds Belair's proposal to remove its New Business Type Discount for new business while leaving it in place for those policies that currently receive it is just and reasonable, and approves the change effective June 14, 2026, for new business and August 13, 2026, for renewals.

[14] The application does not qualify to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The mandatory filing date for Belair for private passenger vehicles stays at November 1, 2026.

[15] The application does not require the submission of financial information and Belair did not include any. The financial information included in other recent Belair applications provides comfort to the Board that the changes proposed in this application, under Section 155I(1)(c) of the *Act*, are unlikely to impair the solvency of the company.

[16] Belair does not reference the New Business Type Discount in its Automobile Insurance Manual and therefore, no changes are required to the Manual. In recent matters, Board staff reviewed the Manual on file along with the proposed changes and did not uncover any areas where Belair was in violation of the *Act* or *Regulations*.

[17] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 29th day of April 2026.



Marc L. Dunning