

DECISION

**2025 NSRAB 95
M12454**

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **CUMIS GENERAL INSURANCE COMPANY** for approval to maintain its rates and risk-classification systems for miscellaneous vehicles

BEFORE: Darlene Willcott, LL.B., Member

APPLICANT: **CUMIS GENERAL INSURANCE COMPANY**

FINAL SUBMISSIONS: September 10, 2025

DECISION DATE: **September 24, 2025**

DECISION: **Application is approved.**

I INTRODUCTION

[1] CUMIS General Insurance Company (CUMIS) applied to the Nova Scotia Regulatory and Appeals Board (Board) to maintain its rates and risk-classification systems for miscellaneous vehicles; namely all-terrain vehicles, snow vehicles, mopeds, private trailers and camper coaches.

[2] The Board must consider whether the proposal is just and reasonable and in compliance with the *Insurance Act (Act)* and its *Regulations*. The Board is satisfied that CUMIS' application meets these requirements and approves the company's proposal to maintain its rates and risk-classification systems for these miscellaneous vehicles.

II ANALYSIS

[3] CUMIS applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval - Minor (Rate Filing Requirements)* for miscellaneous vehicles. 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 CUMIS. The company reviewed the report and informed Board staff that it agreed with the recommendations and had no further comments.

[4] When a company proposes no change to its rates under the *Section 155G – Prior Approval – Minor* filing requirements, the Board does not require the company to provide actuarial support for the proposal. The only issue for the Board in this decision is whether the company is eligible to use these rate filing requirements.

Eligibility to Use Section 155G – Prior Approval – Minor

[5] To use the Board's *Section 155G – Prior Approval – Minor* application, the annual written premium for each class of vehicle must be less than the threshold established by the Board for those vehicles. For each class of vehicle with an established threshold, the company's annual premiums were below the Board's threshold, where a threshold was available. Board staff advised that CUMIS is eligible to use *Section 155G – Prior Approval – Minor* application for all vehicle types in this application. The Board agrees.

Analysis of Support Provided

[6] While the Board requires no supporting justification from CUMIS, the company provided a comparison of its average premium, overall and by coverage, to those produced by re-rating its policies using IAO Actuarial Consulting Services, Aon Canada Inc. (IAO) rates. The company used the IAO rates that were effective July 1, 2023, as approved in 2023 NSUARB 119. While the Board recently approved newer IAO rates effective July 1, 2025, these rates were not available to CUMIS when it prepared its filing.

[7] The company provided a table which compares the average overall premium using CUMIS' rates to those using IAO rates. Because CUMIS wrote no mopeds, a comparison to IAO rates could not be done. For all-terrain vehicles and snow vehicles, the CUMIS average premiums are lower than the IAO-based average premiums. The results by coverage vary, but the differences do not warrant Board intervention.

[8] To rate trailers using IAO rates, CUMIS had to make assumptions about the towing vehicle because the IAO rating algorithm uses this information while the CUMIS algorithm does not. The process used by CUMIS to re-rate the trailers was reasonable. The higher average premium for trailers using IAO rates results from significant differences in the two rating algorithms. Because the Board often approves proposals to leave trailer rates unchanged without any support, Board intervention is not required.

[9] Because CUMIS could have made its proposal without any support, and because the actuarial support provides evidence that the CUMIS rates are reasonable, Board staff recommend the Board approve the proposal to leave the rates and risk-classification systems for these miscellaneous vehicles unchanged. The Board agrees.

Automobile Insurance Manual

[10] CUMIS proposed no changes to its Automobile Insurance Manual (Manual) for these miscellaneous vehicles. A review of the Manual on file did not uncover any instances where the company appeared to be in violation of the *Act* or its *Regulations*.

[11] The Manual is not changing because of this proposal. Therefore, the Board does not require CUMIS to provide an updated Manual.

III SUMMARY

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

[13] The Board finds that CUMIS' proposal to maintain its rates and risk classifications systems for these miscellaneous vehicles is just and reasonable.

[14] CUMIS proposed effective dates of January 14, 2026 for new business and February 13, 2026 for renewal business. Although the rates are not changing, the Board approves these dates.

[15] The financial information supplied by CUMIS satisfies the Board, under Section 155(1)(c) of the *Act*, that the proposal to maintain rates is unlikely to impair the solvency or financial well being of the company.

[16] 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 CUMIS for these miscellaneous vehicles is September 1, 2028.

[17] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 24th day of September, 2025.



Darlene Willcott