DECISION **2026 NSRAB 82**
M12877

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **INTACT INSURANCE COMPANY** for approval to change its rates system for commercial vehicles and interurban trucks

BEFORE: M. Kathleen McManus, K.C., Ph.D., Member

APPLICANT: **INTACT INSURANCE COMPANY**

FINAL SUBMISSIONS: June 1, 2026

DECISION DATE: **June 12, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] On May 26, 2026, Intact Insurance Company (Intact) applied to the Nova Scotia Regulatory and Appeals Board (Board) to change its rates system for commercial vehicles, including interurban vehicles. The company proposed rate changes that vary by coverage and result in an overall increase of 3.0%.

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

II ANALYSIS

[3] Intact applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155H Expedited Approval (Rate Filing Requirements)*. Section 155H of the *Insurance Act* permits an insurer to apply for rates to be approved on an expedited basis if the average of the proposed rates for each coverage and category of automobile insurance does not exceed an amount that is prescribed by the Board. The Board currently allows expedited approval applications for changes to rates for commercial vehicles that are less than or equal to 3.0% on an all coverages combined basis. The company's proposed increases are 3.0%. This application is the first Section 155H application made by Intact since its last major filing. The application, therefore, meets the Board's requirements for a Section 155H-Expedited Approval application.

[4] Board staff reviewed the application and 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 Intact. The company reviewed the report and informed Board staff that it had no comments.

[5] Intact relied on the residual of the Board-approved indications from its last filing (2025 NSUARB 35), and updated these indications for net trend (i.e., loss trend net of premium trend). Those indications are appropriate to be used in this application. When determining the net trend, the company relied on loss trends and premium trends approved in the previous filing.

[6] The Board notes that the proposed overall increase requested by Intact in this application, when combined with the approved changes from its last filing, still results in lower rates than the Board-approved indications from the previous application would produce.

<u>Changes to Base Rates</u>

[7] Intact filed this expedited application to address potential rate inadequacy sooner and more gradually to avoid waiting for a larger future increase. The proposed changes should relieve some pressure from the positive net trends in a timely manner and mitigate potential large dislocation in the future.

[8] Where Intact proposed changes, the proposal follows the direction of the updated residual indications from the previous filing, but the size is smaller. Only Bodily Injury has a proposed increase of more than the 3.0% prescribed percentage. Since the prescribed percentage for a Section 155H–Expedited Approval application applies to the overall change and not the individual coverage changes, the proposed increase for Bodily Injury is acceptable.

[9] As the overall proposed change is lower than the updated residual indications, the return on equity will be below the Board-allowed level of 10%.

[10] The proposed changes, therefore, follow the *Rate Filing Requirements* and Board staff has recommended the Board approve the rates proposed by Intact in this application. The Board agrees.

[11] The Board notes this is the only Section 155H-Expedited Approval application that Intact can make without providing updated actuarial indications in a Section 155G Prior Approval filing.

Automobile Insurance Manual Changes

[12] Intact made no changes to its Automobile Insurance Manual. Board staff reviewed the current manual and found no areas where the company was in violation of the *Insurance Act* or its *Regulations.*

[13] Because the proposal results in no change to the Automobile Insurance Manual, the Board does not require Intact to provide a revised Manual.

III SUMMARY

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

[15] The Board finds the proposed rates are just and reasonable, and approves the changes effective September 15, 2026, for new business and October 15, 2026, for renewal business.

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

[17] As noted, this application is the only expedited approval application that Intact can apply for commercial vehicles without providing a new indicated rate level change analysis. Further, an application for expedited approval under the *Rate Filing Requirements* that relies on residual indications updated for trend does not qualify to set a new mandatory filing date under the *Mandatory Filing of Automobile Rates Regulations*. The mandatory filing date for Intact for commercial vehicles, including interurban vehicles, remains December 1, 2027.

[18] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 12th day of June 2026.

M. Kathleen McManus