

DECISION

**2026 NSRAB 74
M12723**

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **NATIONAL LIABILITY & FIRE INSURANCE COMPANY** for approval of its initial rates and risk-classification system for commercial vehicles

BEFORE: Bruce H. Fisher, MPA, CPA, Member

APPLICANT: **NATIONAL LIABILITY & FIRE INSURANCE COMPANY**

FINAL SUBMISSIONS: March 20, 2026

DECISION DATE: May 14, 2026

DECISION: **Application is approved.**

I INTRODUCTION

[1] National Liability & Fire Insurance Company (National) applied to the Nova Scotia Regulatory and Appeals Board seeking approval of its initial rates and risk-classification system for commercial vehicles. National applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Adopt IAO Rates (Rate Filing Requirements)*.

[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 National's application meets these requirements and approves the proposed rates and risk classification system.

II ANALYSIS

[3] Since the filing of this application, National 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 National. The company reviewed the report and informed Board staff that it had no comments.

Adoption of IAO Rates

[4] National proposes to enter the Nova Scotia marketplace for commercial vehicles. The company proposes to adopt the rates and risk-classification system the Board approved for IAO Actuarial Consulting Services Inc., Aon Canada Inc., with no modifications.

[5] An insurer wanting to adopt approved IAO rates may apply to the Board without filing actuarial support if it can justify its use of the IAO rates. The insurer may seek adjustments to the approved IAO rates for a lower return on equity or a different expense ratio than approved for IAO. Any adjustments must be supported.

[6] To adopt IAO rates, under the Board's agreement with IAO, a company's filing must:

- i. explain why it is appropriate for the company to adopt the rates;
- ii. adjust the rates (downward only) if the company seeks to use a proposed Return on Equity (ROE) that is lower than the one approved for IAO (i.e., 12%); and
- iii. adjust the rates, if desired, to reflect any differences in the company's expense ratio relative to that included in the approved IAO rates.

[7] Lacking its own data, and rather than analyzing industry data, National seeks to adopt the IAO rates approved in the Board decision 2025 NSRAB 16 without adjustments. As a new entrant, National has no vehicles insured. Under these circumstances, it seems appropriate for the company to adopt rates based upon the IAO approved rates.

[8] Board staff's opinion is that it was appropriate for National to adopt IAO rates and that, with no adjustments to ROE or for expense ratios, it has met all three criteria to adopt IAO rates. The Board agrees.

[9] Board staff recommend the Board approve the application. The Board agrees.

III SUMMARY

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

[11] The Board is satisfied that National's proposal to adopt the current IAO rates and risk-classification system for commercial vehicles, is just and reasonable and approves the changes effective May 15, 2026.


[12] As National is a new entrant, the company did not provide any financial information, and the Board does not require it.

[13] The application qualifies to set an initial mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The mandatory filing date for National for commercial vehicles is March 1, 2029.

[14] Board staff reviewed National's proposed Automobile Insurance Manual filed with the Board and recommended changes, which National made. Board staff did not find any instances where the final Manual contravened the *Act* and *Regulations*. The company must file an electronic version of its final Manual within 30 days of the issuance of the order in this matter.

[15] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 14th day of May 2026.



Bruce H. Fisher