DECISION **2026 NSRAB 158**
M13092

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **SECURITY NATIONAL INSURANCE COMPANY** for approval to change its rates for private passenger vehicles, motorhomes and historic vehicles

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

APPLICANT: **SECURITY NATIONAL INSURANCE COMPANY**

FINAL SUBMISSIONS: October 15, 2026

DECISION DATE: **November 9, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] Security National Insurance Company (Security National) applied to the Nova Scotia Regulatory and Appeals Board (Board) to change its rates for private passenger vehicles. Because their premiums are dependent on private passenger rates, motorhomes and historic vehicles rates are also impacted. The company proposes rate changes that vary by coverage and result in an overall increase of 1.5%. In addition to changes to rates, the company also asks the Board to approve proposed revisions to the capping boundaries that it uses within its approved renewal premium cap that limits changes at renewal. The application increases the capped change to 1.3%.

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

II ANALYSIS

[3] Security National applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155H Expedited Approval* (*Rate Filing Requirements*). Section 155H of the *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 private passenger vehicles that are less than or equal to 5% on an all coverages combined basis. Accordingly, Security National qualified to use the expedited application.

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

[5] To support its proposed rate changes, Security National relied on the residual of the Board approved indications from its last application for private passenger vehicles (2025 NSRAB 111). That application resulted in an approved overall rate level increase of 14.9%. The company updated these residual indications for the rate changes in August 2026 upon the adoption of the new CLEAR tables.

[6] Board staff recommends that the Board approve Security National's indications. The Board agrees.

Review of Proposed Rate Changes

[7] For all coverages where Security National proposed changes to rates, the changes follow the directions of the updated residual indications, but the magnitude differs with the exception of Property Damage-Tort and SEF #44 (Family Endorsement Protection). Security National proposed identical changes for all coverages except for SEF #44. The company set the proposed increase below the combined indicated level. For SEF #44, Security National aligns with other TD Group companies and proposed no change. This approach is acceptable, because for both mandatory and optional coverages, the combined rate change is in the direction of, but smaller than, the combined residual indications.

[8] As the overall proposed change is lower than the updated residual indications the return on equity will be below the Board-allowed range of 10% to 12%. The Board finds the company's return on equity is acceptable because the proposed change will further close the gap with the Board's allowed range for return on equity.

[9] Board staff recommends that the Board approve the proposed base rate changes. The Board agrees.

Renewal Premium Cap

[10] Security National proposed changes to its renewal premium cap. For no new at-fault accidents, the company uses a premium dislocation cap that limits renewal increases to 15% and limits renewal premium decreases to -5%. Security National applies the cap per vehicle. The company proposed lowering the cap on renewal premium increases to +10% for no at-fault claims. The cap that limits renewal premium decreases to -5% will remain unchanged.

[11] To use negative capping, that is, limiting the premium reductions a policy should receive, the Board requires that the impact of the negative capping on premium is less than or equal to the impact on premium of the positive capping. Security National showed the capped overall increase on premium of 1.3% from negative capping is lower than the increase on premium of 1.5% from positive capping. The result demonstrates compliance with the Board's requirement.

[12] Board staff recommends the Board approve the proposed changes to the renewal premium cap. The Board agrees.

III SUMMARY

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

[14] The Board finds the proposed rates are just and reasonable, and approves the changes effective December 14, 2026, for new business and January 29, 2027, for renewal business.

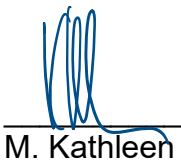
[15] The financial information submitted by the company satisfies the Board, under Section 155I(1)(c) of the *Act,* that the proposed changes are unlikely to impair the solvency of the company.

[16] The application does not qualify to set a new mandatory filing date under the *Mandatory Filing of Automobile Rates Regulations*. The mandatory filing date for Security National for private passenger vehicles, motorhomes and historic vehicles stays at August 1, 2027.

[17] Board staff reviewed Security National's Automobile Insurance Manual filed with the Board and did not find any instances where the Manual contravened the *Act* or *Regulations*. Security National proposed no changes to its Automobile Insurance Manual, so there is no need for Security National to file an updated electronic version of its Manual.

[18] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 9th day of November 2026.



M. Kathleen McManus