DECISION **2026 NSRAB 155**
M13090

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **TD HOME AND AUTO 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: **TD HOME AND AUTO INSURANCE COMPANY**

FINAL SUBMISSIONS: October 15, 2026

DECISION DATE: **November 6, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] TD Home and Auto Insurance Company (TDHA) applied to the Nova Scotia Regulatory and Appeals Board to change its rates for private passenger vehicles. Because their premiums are dependent on private passenger vehicles 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 1.55%.

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

II ANALYSIS

[3] TDHA 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, motorhomes and historic vehicles that are less than or equal to 5%

on an all coverages combined basis. Accordingly, TDHA qualified to use the expedited application.

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

[5] To support its proposed rate changes, TDHA relied on the residual of the Board approved indications from its last application for private passengers (2025 NSRAB 111). That application resulted in an approved overall rate level increase of 14.9%. The company updated these indications for the rate changes which took place in August 2026.

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

Review of Proposed Rate Changes

[7] For all coverages where TD proposed changes to rates, the changes follow the directions of the adjusted residual indications, but the magnitude differs. Except for Comprehensive, where the proposed increase exceeds the indication by a small percentage, the proposed rates are in the same direction as their associated indications but below the indicated levels. The proposed changes for other mandatory coverages are lower than indicated and the difference in the proposed versus indicated rate for Comprehensive is insignificant from a monetary perspective.

[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] TDHA 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%. TDHA applies the cap per vehicle. The company proposed lowering the cap on renewal 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. The TDHA proposed change to its renewal premium cap results in a capped change of +1.55% which is slightly higher than the uncapped change of +1.5%. TDHA submitted that the extra 0.05% would apply to a small portfolio, with a low monetary impact. The company also noted that it was one of three companies under the TD Group (Security National Insurance Company and Primmum Insurance Company) who uses the common capping framework. TDHA says its proposed changes maintain consistency among the companies in the TD Group and avoids additional resources to implement the change for this small book.

[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.

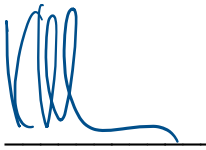
[15] The financial information submitted by the company satisfies the Board, under Section 155(1)(c) of the *Act,* that the proposed changes are unlikely to impair the solvency of the company.

[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 TDHA for private passenger vehicles, motorhomes and historic vehicles stays at August 1, 2027.

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

[18] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 6th day of November 2026.



M. Kathleen McManus