

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **THE PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY** for approval to change its rates and risk-classification system for private passenger vehicles

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

APPLICANT: **THE PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY**

FINAL SUBMISSIONS: August 5, 2026

DECISION DATE: **September 29, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] The Portage La Prairie Mutual Insurance Company (Portage) applied to the Nova Scotia Regulatory and Appeals Board (Board) to change its rates and risk-classification system for private passenger vehicles. The company proposed the introduction of a renewal premium capping mechanism that limits premium increases and decreases at renewal. The application of this cap lowers the impact of the recently approved Portage application for private passenger vehicles below the approved 9.9% overall increase.

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

II ANALYSIS

[3] Portage applied under a simplified version of the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)* that staff advised the company to use. Since the filing of this application, Portage 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 Portage. The company reviewed the report and informed Board staff that it agreed with the recommendations and identified one correction. The Staff Report was updated to include Portage's correction.

[4] In its recent decision on Portage's application for changes to private passenger vehicle rates [2026 NSRAB 94], the Board approved a 9.9% overall premium increase to be effective January 1, 2027. That application included changes to the risk-classification system (e.g., adding new rating variables, changing existing ones). These changes represent the beginning of a systematic review and update of Portage's private passenger vehicle pricing across the country. This review and update will ensure the company's rates remain aligned with the underlying risk characteristics of the policies it writes.

[5] In this application, the company proposed the introduction of a renewal premium capping mechanism to ease the impact of these changes on their customers. That is, the mechanism will moderate the significant premium increases or decreases that clients could experience and should produce more stable premiums for its clients.

[6] The company will compare the premium that will expire at renewal with the proposed renewal premium to determine how large the premium increase or decrease will be. Depending on how large the change is, the limit on the premium increase or decrease will differ.

[7] The capping limits will apply to the premium for all coverages combined, excluding the charge for the Health Services Levy, endorsement premiums, and the premium for Family Protection Endorsement (SEF#44). These capping limits will apply at each renewal if the risk profile does not change in a manner that increases the risk posed to Portage. For example, if a client moves to a higher risk territory or experiences a deterioration of their driving record (e.g., has an at-fault accident, more convictions, etc.), the vehicle becomes ineligible for capping.

[8] To approve a company's use of negative capping, the Board requires the premium foregone on the cap on renewal premium increases to exceed the extra premium collected from the cap on renewal premium decreases. Because the capped impact was lower than the approved 9.9% uncapped impact, Portage demonstrated this requirement was met.

[9] Board staff recommends the Board approve Portage's proposed renewal premium capping mechanism. 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 finds the proposed rates are just and reasonable, and approves the changes effective January 1, 2027, for both new business and renewal business.

[12] The application does not qualify to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The mandatory filing date for Portage for private passenger vehicles stays at April 1, 2028.

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

[14] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 29th day of September 2026.



M. Kathleen McManus