

DECISION

**2026 NSRAB 124
M12941**

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **UNITED GENERAL INSURANCE COMPANY** for approval of its proposed rates and risk-classification systems for commercial and miscellaneous vehicles

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

APPLICANT: **UNITED GENERAL INSURANCE COMPANY**

FINAL SUBMISSIONS: July 27, 2026

DECISION DATE: **September 15, 2026**

DECISION: **Application is approved.**

I INTRODUCTION

[1] On July 2, 2026, United General Insurance Company (United General) applied to the Nova Scotia Regulatory and Appeals Board (Board) to maintain its current rates and risk-classification systems for miscellaneous vehicles (motorcycles, snow vehicles, and trailers (including camper units)), except for all-terrain vehicles. The company proposed to modify some differentials for all-terrain vehicles, resulting in changes to those rates. The company also proposed maintaining its rates and to make changes to its risk-classification system for commercial vehicles. The company also proposed changes to underwriting rules and its Automobile Insurance Manual.

[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 United General's application meets these requirements and approves the company's proposed rates and risk-classification systems.

II ANALYSIS

[3] United General applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval – Minor (Rate Filing Requirements)*. Since the filing of this application, United General 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 United General. The company reviewed the report and informed Board staff that it agreed with the recommendations but noted there was an

error in a summary line in a table. Board staff revised its report to correct this error and provided it to United General. The company had no further comments.

[4] Board staff examined all aspects of the ratemaking procedure to make the recommendations in the Staff Report and suggested that the Board further review certain issues. Board staff consider that United General satisfactorily addressed all other aspects of the ratemaking procedure in its application and IR responses.

[5] The Board will examine the following issues in this decision:

- Maintaining base rates for all miscellaneous vehicles and commercial vehicles;
- Proposed changes to endorsements for commercial vehicles;
- Proposed changes to deductibles and underwriting rules for commercial vehicles;
- Adoption of the April 2026 Actuarial Consulting Services Inc. Aon Canada Inc. (IAO) commercial group rate table for commercial vehicles;
- Proposed changes to differentials for all-terrain vehicles; and
- Proposed changes to underwriting rules for motorcycles.

Maintaining Base Rates for All Miscellaneous Vehicles and Commercial Vehicles

[6] United General proposed not to change its base rates for all miscellaneous vehicles (all-terrain vehicles, motorcycles, snow vehicles and trailers, including camper units) and commercial vehicles. The company provided information which showed that for each of these types of vehicles, United General's annual premiums fell below the Board's threshold. This information confirmed that the company is eligible to use *Section 155G Prior Approval* – Minor filing requirements for each of these vehicles.

[7] In past matters, the Board has allowed companies with annual premiums under the threshold to apply to leave their rates and risk-classification systems unchanged without providing support. United General did, however, provide indications for commercial vehicles and three of the miscellaneous vehicle types (i.e., all-terrain vehicles, motorcycles and snow vehicles). For trailers, United General provided no

indications or other support for the proposal to leave rates unchanged, but as noted above, the filing requirements do not require support in these circumstances.

[8] For the other vehicle types, the company noted the indicated changes for certain coverages/classes were modest and within a range that the company believed was reasonably supported by current rates. United General also considered rate stability, customer impact, competitive positioning, and the uncertainty inherent in actuarial indications. Based upon these considerations, the company proposed to maintain its current base rates.

[9] Board staff recommends the Board approve United General's proposal to leave its base rates unchanged for commercial vehicles and miscellaneous vehicles. The Board agrees.

Commercial Vehicles

Proposed Changes to Endorsements

[10] United General proposed changes to three of its endorsement offerings. The company supported these changes and also noted that these changes will align Nova Scotia with the company's New Brunswick offerings.

[11] First, the company will add a \$2,500 per-occurrence limit to NSEF#20 - Loss of Use endorsement. This endorsement provides for the cost of a rental car or other transportation when the client loses use of the insured vehicle because of an accident. The company proposed a premium for this level based on competitors' rates. The selected amount also reasonably reflects the incremental change in coverage provided.

[12] The company also proposed extending the availability of NSEF#27 - Legal Liability for Damage to Non-Owned Automobile(s) and Other Coverages when Insured

Persons Drive Other Automobiles endorsement to certain light commercial vehicles. Currently, this endorsement is available only for private passenger vehicles. United General will make it available at both a \$50,000 and \$75,000 vehicle value limit for light commercial vehicle classes 33, 35 and 36. United General based the proposed premiums on broker/agent feedback and with the goal of aligning Nova Scotia with its New Brunswick offering.

[13] Finally, the company will extend the limited waiver of depreciation endorsements (NSEF#43R/43RL) to light commercial vehicle classes 35, 36 and 43 for a flat \$60 premium. The company currently provides this endorsement for class 33 (Farm Light Commercial vehicles) for a flat premium and wants to add these other light commercial vehicle classes using the same premium.

[14] Board staff recommends that the Board approve these proposed changes to the endorsements for commercial vehicles. The Board agrees.

Proposed Changes to Deductibles and Underwriting Rules

[15] United General proposed the introduction of a \$750 deductible for physical damage coverages. The proposed premium arose from an interpolation between the current deductible differentials. The introduction of this level allows the company to lower the minimum deductible from \$1,000 to \$750 for any commercial vehicle with a rate group of 20 or higher. This minimum deductible also aligns Nova Scotia with New Brunswick.

[16] United General proposed some changes to its underwriting rules for commercial vehicles. The company will increase its maximum allowed vehicle value to \$150,000 and will subject any vehicle valued at \$125,000 or more to carry a minimum

deductible of \$5,000 and will require referral of the vehicle to head office to ensure proper underwriting is done.

[17] United General will also add a section on Tractors to the manual. The details for tractors were omitted from the current manual. The company currently writes tractors using the classes shown in the manual and this change corrects the omission.

[18] These changes align Nova Scotia and New Brunswick. The company does not expect these changes to impact many risks.

[19] Board staff recommends that the Board approve these changes to rating and underwriting rules and the manual. The Board agrees.

Adoption of April 2026 IAO Commercial Group Rate Table

[20] United General proposed the adoption of the April 2026 IAO commercial rate group table. The company off-balanced the impact of the table change.

[21] Board staff recommends the Board approve the adoption of this new table. The Board agrees.

Proposed Changes to Differentials for All-Terrain Vehicles

[22] United General proposed changes to the differentials for physical damage coverage rate groups for all-terrain vehicles. The company assigns rate groups based upon vehicle value. The proposed changes adjust the differentials primarily for high-valued vehicles.

[23] The company proposed the changes to improve consistency in the differentials across provinces. United General referred to a recent (2025) approved change in New Brunswick based upon an analysis that suggested the company was

overpriced for higher value vehicles. The changed differentials, which are appropriate in the circumstances, result in a more competitive rate for the higher valued vehicles.

[24] Board staff recommends that the Board approve the proposed differentials. The Board agrees.

Proposed Changes to Underwriting Rules for Motorcycles

[25] United General proposed a change to its underwriting rules for motorcycles. The company currently writes motorcycles with engine sizes less than 750cc and with all operators having 25 or more years of driving experience. The proposal would increase the maximum allowable engine size from 750cc to 1200cc and would lower the minimum years of driving experience for all operators from 25 to 10 years.

[26] Board staff recommends the Board approve this change to the underwriting rules for motorcycles. The Board agrees.

III SUMMARY

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

[28] The Board finds the proposed rates are just and reasonable, and approves the changes effective November 1, 2026, for both new business and renewal business.

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

[30] The application qualifies to set a new mandatory filing date under the *Mandatory Filing of Automobile Insurance Rates Regulations*. The new mandatory filing

date for United General for commercial vehicles and miscellaneous vehicles is July 1, 2029.

[31] Board staff reviewed United General's Automobile Insurance Manual filed with the Board and did not find any instances where the Manual contravened the *Act* and *Regulations*. The company must file an electronic version of its Manual, updated for the changes approved in this decision, within 30 days of the issuance of the Order in this matter.

[32] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 15th day of September 2026.



M. Kathleen McManus