

**DECISION**

**2026 NSRAB 64  
M12708**

**NOVA SCOTIA REGULATORY AND APPEALS BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

**- and -**

**IN THE MATTER OF AN APPLICATION** by **CO-OPERATORS GENERAL INSURANCE COMPANY** for approval to change its rates and risk-classification system for private passenger vehicles

**BEFORE:** Julia E. Clark, LL.B., Vice Chair

**APPLICANT:** **CO-OPERATORS GENERAL INSURANCE COMPANY**

**FINAL SUBMISSIONS:** April 1, 2026

**DECISION DATE:** **April 29, 2026**

**DECISION:** **Application is approved.**

## I INTRODUCTION

[1] Co-operators General Insurance Company (Co-operators) applied to the Nova Scotia Regulatory and Appeals Board to change its rates and risk-classification system for private passenger vehicles. The company proposes no changes to base rates but seeks approval for changes to its discounts and endorsements, including adding a new Embedded Experience Discount for customers who insure through a sales channel dedicated to Co-operators' Original Equipment Manufacturer (OEM) business partners, and a new OEM Parts Guarantee endorsement for those clients. Co-operators also proposed related changes to its Accident Protection Endorsement, Multi-vehicle Discount, Multi-product Discount, and Renewal Discount.

[2] The Board must consider whether the proposed changes to discounts and endorsements are just and reasonable and in compliance with the *Insurance Act (Act)* and its *Regulations*. The Board finds that Co-operators' application meets these requirements and approves the company's proposal.

## II ANALYSIS

[3] Co-operators applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. Since the filing of this application, Co-operators 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 Co-operators. The company reviewed the report and

informed Board staff that it had no comments, other than a request to change the effective date.

[4] Co-operators proposed several changes to the discounts and endorsements the company offers. All changes are related to the company's initiative to introduce digital-first sales channels that will be dedicated to the customers of each automobile OEM that Co-operators partners with. Co-operators did not propose any changes to base rates. Because there will be no changes to existing customers' premiums, there were no impacts and off balancing was not required.

### **Discounts**

#### *Embedded Experience Discount*

[5] Co-operators proposed to introduce a 5% Embedded Experience Discount that it will apply to all policies purchased through Co-operators' new distribution channels for its OEM business partners. Co-operators explained that the digital-first approach allows for a lower expense model, with lower administrative, marketing and technology costs than Co-operators' traditional distribution program. The application included comparisons of the traditional and OEM program models' respective expense ratios. Co-operators supported the proposed level of the discount based on calculations indicating that a slightly larger discount is warranted. The company explained that it selected the lower discount as a more cautious approach for this new program. Also, a long projection period was used to capture the full scope of expected program expenses, which increases the uncertainty of the indications.

[6] The Embedded Experience Discount will be exclusive to customers that enrol in Co-operators' insurance policies through the OEM-dedicated channels. The

agents working through the OEM sales channels are qualified insurance agents and are not dealership employees, which would be prohibited under the *Act*. The discount will apply to both new business and renewals and will apply to all private passenger vehicles insured under a policy acquired through the channel, regardless of the vehicle manufacturer. Customers can also purchase other categories of insurance (i.e. Home, Commercial, Farm or Life Insurance) through OEM business partner channels.

[7] Board staff reviewed Co-operators' support for its discount indication and selected discount level and advised the Board that they appear reasonable. Other than the Embedded Experience Discount, the OEM channels will use the same rates and differentials as the Co-operators' channel. Future rate filings will combine both types of channels. To determine the correct rate level needed for the combined channels, Co-operators is expected to use the undiscounted OEM business partners' distribution channel premiums when determining future rate indications.

[8] No existing policies have been written through the OEM channels, so no existing policies qualify for the discount. There is no impact from the proposed changes, so no off-balancing of rates is required.

[9] During the application process, Co-operators provided further revisions to its Automobile Insurance Manual to better reflect its intention for a single discount amount to be applied for all OEM partners in the program.

#### *Changes to Multi-vehicle Discount and Multi-product Discount*

[10] For the purpose of its discount offerings, Co-operators' proposal will essentially treat policies purchased by an insured through an OEM business partner channel separately from those purchased through the traditional channel. Co-operators'

Multi-vehicle and Multi-product discounts will only be applicable when an insured has multiple qualifying vehicles or policies purchased through the same channel. For example, vehicles insured or policies purchased through Co-operators' OEM channels will not count as qualifying vehicles or policies for the Multi-vehicle or Multi-product discounts for policies purchased through the company's traditional channel.

[11] The terms of the discounts will otherwise remain the same as what is in place for current customers.

*Changes to Renewal and Group Discounts*

[12] Current Co-operators' clients who purchased their policy through the traditional channel are not eligible for a renewal discount should they decide to purchase a new policy through an OEM dedicated distribution channel. Those policies will be tracked as new business.

[13] Co-operators clarified that the exclusion of OEM business partner distribution channel policies from this discount reflects the fact that the new policy will be eligible for the Embedded Experience Discount. Should the customer maintain their policy for five years through the OEM business partner distribution channel only, the Renewal Discount would then apply.

[14] Co-operators also noted that its Group Discount will not apply to any policies purchased through an OEM business partner distribution channel because they will receive the Embedded Experience Discount.

[15] None of the proposed changes to discounts violate the *Act* or its *Regulations*. Board staff recommended the Board approved the new Embedded Experience Discount, and the changes to the Multi-vehicle Discount Multi-product

Discount, Renewal Discount and Group Discount for business written through an OEM business partner distribution channel. The Board agrees.

## **Endorsements**

### *New OEM Parts Guarantee Endorsement*

[16] The company proposed to introduce a new OEM Parts Guarantee Endorsement for clients who insure vehicles through the OEM business partner distribution channel. The endorsement provides that OEM parts will be used in repairs, where available. This coverage is available only during the 60 months after the original purchase date of the vehicle. The endorsement is not available to clients using the traditional Co-operators' distribution channel and does not apply in the event of a total loss.

[17] Co-operators will provide this endorsement to qualified policies sold through its OEM business partner distribution channels, for no additional premium. Because the OEM Parts Guarantee endorsement is a non-standard endorsement, it requires the Superintendent of Insurance's approval. The Board is satisfied by the evidence that this approval was obtained and approves the introduction of the endorsement on the proposed terms.

### *Changes to Accident Rating Waiver Endorsement*

[18] Co-operators' Accident Rating Waiver Endorsement protects a client's good driving record in the event of a first at-fault accident. The company currently waives the premium for this endorsement for clients that have an insurance policy under at least three lines of business (i.e. Auto, Home, Commercial, Farm or Life Insurance) insured through the Co-operators' channel.

[19] Co-operators proposed changes to the existing wording to confirm that the endorsement is available to policies purchased under an OEM business partner distribution channel, but the premium is only eligible to be waived if the other policies are also written through these channels. Similarly, for a premium to be waived for a policy written through the traditional channel, all the other policies must be written through that channel.

### III SUMMARY

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

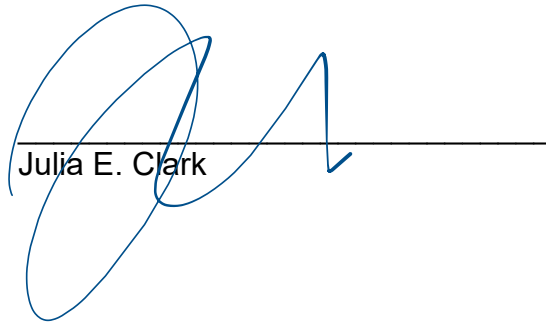
[21] The Board finds the proposed changes are just and reasonable, and approves them effective June 15, 2026, for new business and August 14, 2026, for renewal business.

[22] 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 Co-operators for private passenger vehicles stays at December 1, 2027.

[23] Board staff reviewed Co-operators' Automobile Insurance Manual filed with the Board, along with the proposed changes, and did not find any instances where the Manual contravened the *Act* or *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.

[24] An order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 29<sup>th</sup> day of April 2026.

  
Julia E. Clark