

**NOVA SCOTIA REGULATORY AND APPEALS BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

**- and -**

**IN THE MATTER OF AN APPLICATION** by **HEARTLAND FARM MUTUAL INC.** for approval to change its rates and risk-classification system for private passenger vehicles

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

**APPLICANT:** **HEARTLAND FARM MUTUAL INC.**

**FINAL SUBMISSIONS:** April 8, 2025

**DECISION DATE:** **April 16, 2025**

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

## **I INTRODUCTION**

[1] On April 1, 2025, Heartland Farm Mutual Inc. (Heartland) applied to the Nova Scotia Regulatory and Appeals Board to change its rates and risk-classification system for private passenger vehicles. The company proposes to increase its late payment fee from \$10 to \$15. Heartland applies this fee when the company receives a late payment of a private passenger vehicle premium.

[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 Heartland's application meets these requirements and approves the company's proposed change to its late payment fee.

## **II ANALYSIS**

[3] Heartland applied under a simplified version of the Board's "*Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval*".

[4] Board staff prepared a report to the Board with a recommendation on the application (Staff Report). Before providing the Staff Report to the Board, Board staff shared it with Heartland. The company reviewed the report and informed Board staff that it had no further comments.

[5] The Board views a fee like Heartland's late payment fee as a rate and therefore any changes to the fee must be approved by the Board before it can be used.

[6] Heartland charges a late payment fee if the insured does not make their premium payment on time. If the premium date is missed, Heartland will send a late payment notice to the insured via registered mail.

[7] Heartland notes that Canada Post raised its registered mail cost by 35%, increasing the original \$9.75 charge to the new \$13.15 charge. Given the Canada Post charges exceeds \$10, Heartland explains its current fee is not sufficient. The company proposes a \$5 fee increase, bringing it to \$15. This level covers the increased registered mail costs and leaves room for the other administrative costs associated with the late payment notice, including printing, envelope and administrative staff costs.

[8] Board staff recommends the Board approve the proposed fee increase.

### III SUMMARY

[9] The Board finds that the application follows the *Act* and *Regulations*, as well as the *Rate Filing Requirements*. The Board finds the proposed rates are just and reasonable, and approves the fee increase for late payment effective July 1, 2025, for both new business and renewal business.

[10] 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 Heartland for private passenger vehicles stays at December 1, 2026.

[11] An Order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 16<sup>th</sup> day of April, 2025.

  
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M. Kathleen McManus