

NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **AVIVA INSURANCE COMPANY OF CANADA** for approval to maintain its rates and modify its risk-classification system for interurban vehicles

BEFORE: Jennifer L. Nicholson, CPA, CA, Member

APPLICANT: **AVIVA INSURANCE COMPANY OF CANADA**

FINAL SUBMISSIONS: November 21, 2025

DECISION DATE: **December 8, 2025**

DECISION: **Application is approved.**

I INTRODUCTION

[1] Aviva Insurance Company of Canada (Aviva) applied to the Nova Scotia Regulatory and Appeals Board to maintain its rates and to modify its risk-classification system for interurban vehicles. The company proposes the removal of the New Business and Loyalty Discounts, while leaving rates unchanged.

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

II ANALYSIS

[3] Aviva 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, Aviva received and responded to an Information Request (IR) 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 Aviva. The company reviewed the report and informed Board staff that it had no further comments.

[4] Because the company proposed no changes under the *Rate Filing Requirements* and those requirements do not require Aviva to provide support for its proposal, the only issue the Board must decide is if the company is eligible to use these filing requirements for these vehicle types.

[5] The Board allows applications for interurban vehicles under the *Rate Filing Requirements* if the annual written premium is below a certain threshold (i.e., \$750,000).

The Aviva annual premium falls below this level and therefore, Aviva is eligible to use these requirements.

[6] As noted, the Board does not require any support for a proposal for no change to base rates made under these filing requirements. As Aviva provided no support for its proposal, as allowed. Board staff recommends the Board approve the proposal to leave base rates unchanged for interurban vehicles. The Board agrees.

Risk Classification Changes

[7] Aviva proposed the removal of its New Business Discount, which provides a 5% discount for a new business policy if the client had been insured with its prior insurer for three or more years, and its Loyalty Discount, which provides a 5% discount if the policy has been insured with Aviva continuously for three years.

[8] Aviva stated that these discounts are not aligned with its intent for loyalty-based incentives. Aviva explained that these vehicles represent higher risk and heavy transportation exposures that are not active targets for growth for the company. The existence of these discounts on these vehicles was likely a legacy of older rating approaches and not representative of the current marketing intent around these vehicles. The removal streamlines the rating manual and aligns with Aviva's goal of applying the discount provisions consistently across vehicle classes and jurisdictions.

[9] Aviva noted that most of its vehicles are subject to the discounts. The impact of the removal of the discounts is an overall increase of 3.8%, which Aviva did not off-balance. Board Staff recommends the Board approve the proposed removal of the New Business Discount and the Loyalty Discount. 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 and modifications to its risk classification system for interurban vehicles are just and reasonable, and approves the changes effective March 1, 2026, for new business and April 1, 2026, for renewal business.

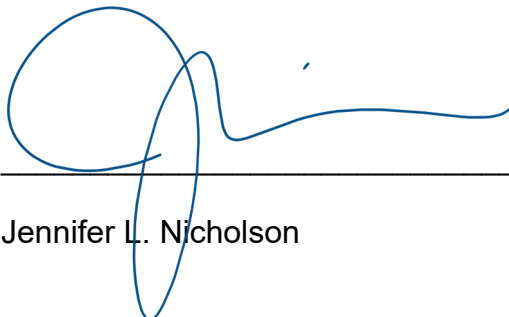
[12] The financial information supplied by Aviva satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the company.

[13] 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 Aviva for interurban vehicles is October 1, 2028.

[14] Board staff reviewed Aviva's Automobile Insurance Manual filed with the Board 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.

[15] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 8th day of December 2025.



Jennifer L. Nicholson