

DECISION

**2025 NSRAB 71
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NOVA SCOTIA REGULATORY AND APPEALS BOARD

IN THE MATTER OF THE INSURANCE ACT

- and -

IN THE MATTER OF AN APPLICATION by **TD INSURANCE GROUP** for approval to maintain its rates and risk-classification system for miscellaneous vehicles

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

APPLICANT: **TD INSURANCE GROUP**

FINAL SUBMISSIONS: July 3, 2025

DECISION DATE: **August 19, 2025**

DECISION: **Application is approved.**

I INTRODUCTION

[1] TD Insurance Group, which represents Security National Insurance Company, Primmum Insurance Company, and TD Home and Auto Insurance Company, applied to the Nova Scotia Regulatory and Appeals Board to maintain its rates and risk-classification system for miscellaneous vehicles (motorcycles, all-terrain vehicles (ATVs), snow vehicles, and utility trailers).

[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 TD Insurance Group's application meets these requirements and approves the company's proposal to leave its rates and risk-classification system unchanged.

II ANALYSIS

[3] TD Insurance Group applied under the Board's *Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Rate Filing Requirements)*. Since the filing of this application, TD Insurance Group 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 TD Insurance Group. The company reviewed the report and informed Board staff that it had no comments.

[4] Citing a lack of credible data to develop meaningful actuarial indications, TD Insurance Group compared its rates to the most recent approved rates for IAO Actuarial Consulting Services Aon Canada Inc. (IAO). The company provided indicated

rate level changes based on the combined revenues. The indicated changes were those required to bring the total premium to the level that the IAO rates would produce. The Board has approved this approach for TD Insurance Group for this category of vehicles in past decisions.

[5] TD Insurance Group writes motorcycles, ATVs and snow vehicles on a stand-alone basis, but writes utility trailers on an accommodation basis only at this point. TD Insurance Group explained that it does not have enough claims to allow it to produce its own meaningful actuarial indications to support its proposal. The company says that the IAO analysis of the entire industry provides a better indication of the overall required rate level. Because the IAO risk-classification system uses fewer rating variables, it does not differentiate risks to the same degree as the TD Insurance Group risk-classification does. Therefore, TD Insurance Group does not wish to adopt the IAO rates and risk-classification system but rather use IAO's rates for comparison purposes.

[6] For vehicles other than motorcycles, the rate comparison shows that the premium produced by the TD Insurance Group rates and risk classification system are below those produced by the IAO rates and risk classification system. The opposite is true for motorcycles. The indications showed that TD Insurance Group could increase its rates for mandatory coverages, while the indications show room for decreases in rates for optional coverages versus IAO rates.

[7] The company explained its intention to maintain overall rate adequacy while maintaining a good experience for its customers. It prefers to keep its rates stable for these lines of business. In response to Board IRs, TD Insurance Group provided competitive information comparing its premiums to those of the industry. In its previous

decision, the Board accepted this information to support the changes made in that application. Generally, the current rates seem competitive with industry rates. For snow vehicles, the one outlier showing higher premiums than average, TD Insurance Group explained its business is very small and subject to volatility. It may not reflect the same mix of snow vehicles as the industry, which would result in different average premium levels. The General Insurance Statistical Agency does not provide the same information on industry averages for trailers, so TD Insurance Group relied on the IAO rate comparisons. IAO rates were higher than TD Insurance Group, and the company proposed no changes.

[8] After reviewing the indications against the proposed rates, along with the market comparisons, the Board agrees with Board staff's recommendation to approve the proposal.

III SUMMARY

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

[10] The Board finds the proposed rates are just and reasonable, and approves the changes effective October 1, 2025, for new business and November 15, 2025, for renewal business.

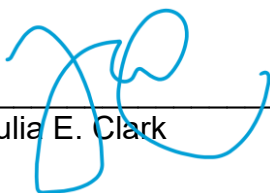
[11] The financial information supplied by TD Insurance Group satisfies the Board, under Section 155I(1)(c) of the *Act*, that the proposed changes are unlikely to impair the solvency of the company.

[12] 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 TD Insurance Group for miscellaneous vehicles is June 1, 2028.

[13] TD Insurance Group did not propose any changes that impact its Automobile Insurance Manual. Board staff have reviewed the Manual filed with the Board and did not find any instances where the Manual contravened the *Act* and *Regulations*. The Board does not require an updated version of the Manual in this case.

[14] An order will issue accordingly.

DATED at Halifax, Nova Scotia, this 19th day of August 2025.



Julia E. Clark