



Nova Scotia
Utility and Review Board

Rate Filing Requirements for Automobile Insurance

Section 155G CLEAR

Effective January 2015

Applicability

These guidelines are available for use when a company is only proposing to adopt a Nova Scotia Utility and Review Board (“NSUARB”) approved version of the Canadian Loss Experience Automobile Rating (“CLEAR”) tables.

A rate application that seeks other changes beyond the adoption of a new CLEAR table must be made using the NSUARB “Rate Filing Requirements for Automobile Insurance – Section 155G Prior Approval (Mandatory Filing)”. A Company who uses a Manufacturer’s Suggested Retail Price (“MSRP”) rating table should contact the Board staff to discuss.

Filing Format

This application to the NSUARB will be fully electronic or paperless. Subject to any technical notes published by the NSUARB, the filing should consist of the following files, each with no password protection, containing the information sections as outlined below, in the categories and order outlined below to constitute a complete filing.

Part 1: Non-Confidential Information (Format: One PDF File)

Section	Description
N-1	Table of Contents
N-2	Certifications
N-3	Contact Person Information
N-4	Dependent Categories (if any)
N-5	Copies of Page from “Appendix A – NC for CLEAR.xls”
N-6	Copies of Pages from “Appendix C – Rating Profiles PPV.xls”

Part 2: Confidential Information (Format: One PDF File)

Section	Description
C-1	Table of Contents
C-2	Final Rates
C-3	Dislocation and Capping
C-4	Copies of Page from “Appendix A – Conf for CLEAR.xls”

Part 3 Summary Information and Rating Profiles (Format: 3 Excel Spreadsheets)

File	Description
Appendix A – NC for CLEAR	Non-Confidential Summary Information Spreadsheet
Appendix A – Conf for CLEAR	Confidential Summary Information Spreadsheet
Appendix C – Rating Profiles PPV	Completed Rating Profiles (only those that apply) Non-Confidential

The five required electronic files (2 PDFs and 3 excel sheets) must be forwarded at the same time to the NSUARB generic mailbox at board@novascotia.ca. For large files, please contact the general office phone number to ensure the mailbox is capable of handling the file size

The confidential sections noted above reflect the Board’s position on the portions of an application which will routinely be kept confidential.

Part 1 – Non-Confidential Information

Section N-1: Table of Contents

The table of contents must show the main headings noted above plus the key headings within each of the sections. It must be detailed enough to allow the reader to quickly isolate key information.

Section N-2: Certifications

N.2.a. Certificate of the Officer

A scan of an original signed certificate of an authorized officer of the Company must accompany each filing. A copy of the required form of the Certificate of Officer can be found on the Board's website ("Appendix B: Certificate of Officer – CLEAR"). Authorized officers are the President, CEO, COO, CFO, any vice-president, the treasurer, or the corporate secretary or Chief Agent for Canada, for the Company. The Certificate of Officer must identify a person authorized by the Company to act as the contact person for the Company in accordance with section N-3.

Section N-3: Contact Person Information

The Company must set out the name, title, company name, business address, telephone number, fax number and e-mail address of the individual authorized to act as contact on behalf of the Company. The named contact person must be prepared to respond to NSUARB questions and accept correspondence from the NSUARB on behalf of the Company relating to this filing. All questions on the filing will be directed to this individual and all questions/replies for the NSUARB dealing with the filing must be channeled through this person.

The contact person must be able to accept and respond to correspondence from or to the NSUARB by email.

Section N-4: Dependent Categories

For those categories of automobile insurance that are dependent on the rate filing submitted, please provide the rate level effects of the proposed changes.

Section N-5 - Pages from "Appendix A – NC for CLEAR.xls"

This section consists of pages printed from the noted spreadsheet and is required to facilitate the placement of the information into the NSUARB case management system. Details on the completion of the spreadsheet can be found in Part 3 of these requirements.

Section N-6 - Pages from "Appendix C – Rating Profiles PPV.xls"

This section consists of pages printed from the noted spreadsheet and is required to facilitate the placement of the information into the NSUARB case management system. Details on the completion of the spreadsheet can be found in Part 3 of these requirements.

Part 2 – Confidential Information

Section C-1: Table of Contents

The table of contents must show the main headings noted above plus the key headings within each of the sections. It must be detailed enough to allow the reader to quickly isolate key information.

Section C-2: Final Rates

For all applications, the filing must identify the impact of implementing the new table by coverage. Any impact in the Accident Benefits (“AB”) coverage resulting from a change from the truncated AB rate groups (0-6) to the 2013 or 2015 table rate groups, must be off-balanced through base rates and the details of the calculation must be presented.

If the Company had an application that included complete actuarial indications with the impact of rate group drift reflected with rates approved with a renewal effective date within the 9 months preceding, or after the Board’s approval of the new CLEAR table, no further information or rate adjustments are required. This also applies if the Company currently has an application before the Board, which includes complete actuarial indications reflecting rate group drift. For Companies who have been approved to adopt IAO rates with a renewal effective date within the 9 months preceding Board approval or after Board approval, no further adjustment is required.

In all other cases, the Company must make a further adjustment that applies the Board’s CLEAR Benchmark Base Rate Adjustments to the current rates. The Board will publish these benchmark adjustments when it approves the CLEAR tables.

The filing must clearly describe and show how current manual territorial base rates are transformed into proposed manual territorial base rates through the application of the proposed rate change.

Where a Company proposes the adoption of CLEAR Accident Benefits rate groups for the first time, the impact must be off-balanced through base rates. The details of this calculation must be shown in this section.

Section C-3: Dislocation and Capping

This section must be completed regardless of whether or not rates are changing as dislocation will arise from the change of the table itself.

A Company must take into account the impact that proposed rate changes will have on consumers. Capping may be considered in minimizing rate dislocation. Any capping procedure must be fully described in this section. Note details on dislocation will be captured in the confidential spreadsheet described in the next section.

Section N-5 - Pages from “Appendix A –Conf for CLEAR.xls”

This section consists of pages printed from the noted spreadsheet and is required to facilitate the placement of the information into the NSUARB case management system. Details on the completion of the spreadsheet can be found in Part 3 of these requirements.

Part 3 – Summary Information and Rating Profiles

Summary – 155G CLEAR Non-Confidential (Excel File: Appendix A – NC for CLEAR)

The Company should download a copy of the excel spreadsheet “Appendix A – NC for CLEAR.xls” from the NSUARB website and complete it.

The spreadsheet is self-explanatory with a number of drop down boxes to assist the completion of the spreadsheet.

The NSUARB views all information included in this spreadsheet as being non-confidential and subject to routine disclosure.

Summary – 155G CLEAR Confidential (Excel File: Appendix A – Conf for CLEAR)

The Company should download a copy of the excel spreadsheet “Appendix A – Conf for CLEAR.xls” from the NSUARB website and complete it. This summary section contains certain key information on the nature of the filed rate level.

In responding to the Impact of Changes section, beginning at Row 67 of the spreadsheet, the required premium weights must be disclosed in percentage terms and must be at the current rate level.

Rating Profiles – Non Confidential (Excel File: Appendix C – Rating Profiles PPV)

The Company should download a copy of the excel spreadsheet “Appendix C – Rating Profiles PPV.xls” from the NSUARB website and complete it. If any of these profiles would not be written by the Company, a note to that effect should be included in the tab(s) associated with that profile. Appendix C sets out rating examples covering the categories of automobile insurance. The NSUARB has adopted the CARR harmonized profiles, as updated in 2013, that were developed in conjunction with IBC. The Excel spreadsheet must be provided (no PDFs are allowed for these profiles).

The rating examples must be completed according to the risk description specified. The Company must provide both current and proposed rating criteria for each of the rating examples. The rating territories must be those defined in the Company's rate manual.

Care should be taken to make sure the correct rate groups are used. Where the Company has approval to modify the CLEAR rate groups, this fact should be noted on the profile.

Any additional information pertaining to the rating example must be disclosed with a detailed description for each affected rating example.

Note, the workbook includes three tabs at the end that identify the rate groups for the profiles that the Board is expecting for the various CLEAR tables.

Specific instructions and key assumptions that must be adopted when completing these rating examples are:

- All rates are to be stated on an annual basis. If annual policies are not issued, the rates must be converted to an annual basis.
- All risks must be rated strictly according to the information provided. **DO NOT** provide preferred rates unless the criteria as stated fit the eligibility rules for a preferred class. If so, provide only the preferred rates, and state so.
- Clearly identify all applicable surcharges/discounts that apply to each of the coverages.
- If the Company does not write a particular limit or deductible level for a described profile, provide the premiums using the closest limit/deductible and note the applicable limit/deductible on the profile.
- If the Company provides group discounts, provide the individual non-group rate plus the rates with the highest discount applied.
- For multiple operator risks, provide premiums by coverage by operator using separate sheets. In addition, the total policy premium combining all operators must be submitted.
- If, based on the Company's underwriting rules, a risk profile described in a specified rating example is not written, that fact is to be indicated, and rates need not be provided for that example. However, the Company must explain why the rating example is not appropriate under the circumstances.
- If a rating example does not describe a unique rate, the Company is to provide the highest and lowest rate that could be charged on the described risk, and disclose the assumption underlying the difference.
- Include the premiums for all perils **only if** collision and comprehensive are not offered.