

**DECISION**

**NSUARB-INS-10-718  
2010 NSUARB 59**

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE INSURANCE ACT**

- and -

**IN THE MATTER OF AN APPLICATION** by **COSECO INSURANCE COMPANY** for approval to adopt the 2009 CLEAR rate group table for private passenger vehicles

**BEFORE:** Murray E. Doehler, CA, P.Eng., Member

**APPLICANT:** **COSECO INSURANCE COMPANY**

**FINAL SUBMISSIONS:** February 11, 2010

**DECISION DATE:** **March 2, 2010**

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

## I INTRODUCTION

[1] COSECO Insurance Company (“COSECO” or the “Company”) filed an application with the Nova Scotia Utility and Review Board (the “Board”) for approval to adopt the 2009 CLEAR rate group table for private passenger vehicles. The supporting documents and materials (the “Application”) dated February 5, 2010, were received by the Board on February 11, 2010.

[2] As a result of a review by Board staff, a staff report dated February 18, 2010 (the “Staff Report”), was prepared.

[3] The Company requested that its rate filings and all memos, attachments, exhibits etc., be considered confidential.

[4] The Board did not deem it necessary to hold an oral hearing on the Application.

## II ISSUES AND ANALYSIS

[5] The issue in this Application is whether the proposed rates are just and reasonable and in compliance with the *Insurance Act*, (the “Act”) and its *Regulations*.

[6] The Company sought approval to adopt the 2009 Canadian Loss Experience Automobile Rating (CLEAR) rate group table for private passenger vehicles. The Application was made under Section 155G of the *Act* using the Board’s *Rate Filing Requirements for Automobile Insurance - Section 155G CLEAR*. The proposed effective date is June 1, 2010, for both new and renewal business.

## **Background**

[7] On November 16, 2009, the Board approved for use the 2009 CLEAR tables published by the Vehicle Information Centre of Canada (“VICC”). The tables approved by the Board reflected changes to collision and comprehensive rate groups, but not the changes proposed to accident benefit rate groups. VICC has recently republished the table replacing the proposed accident benefit groups with the 2008 table groups.

[8] At the same time, the Board issued an Information Bulletin (NSUARB 09-02-2009 CLEAR TABLES) (the “Bulletin”) outlining the process for companies to follow in order to adopt the 2009 CLEAR tables, which requested companies to file within three (3) months of the date of the Bulletin if they wished to do so. The Bulletin provided for use of either a simplified or full procedure.

## **CLEAR Table**

[9] Currently the Company uses the 2008 CLEAR table. It proposes to replace this with the 2009 table. COSECO chose to use the simplified procedure outlined by the Board by proposing to make the benchmark changes to Collision, Comprehensive and Specified Perils rates which had been published in the Bulletin.

[10] With the proposed adoption of the 2009 CLEAR table, 29% of its clients would see an increase of up to 5% in rates, 53% would see a decrease of up to 5%, 1% would see a larger increase, 2% would see a larger decrease, and the remainder would see no change in rates.

[11] The Staff Report indicated that the correct rating groups were being used to produce the proposed rates. The Staff Report also confirmed that given that the premiums were rounded to the nearest dollar amount, the changes shown in the rating profiles in the Application are consistent with the proposed adoption of the 2009 CLEAR table.

### **Rate Manual Review**

[12] The Company proposed no changes to the rate manual other than the revised CLEAR table and rate pages. Board staff reviewed the proposed manual pages and the existing manual on file and found no instances where the manual is not in compliance with the *Regulations*.

### **III FINDINGS**

[13] The Board finds that the Application complies with the *Act* and *Regulations*. The Board accepts the simplified filing by the Company. Based on the evidence before it, the Board finds that the proposal to use the 2009 CLEAR table is appropriate for private passenger vehicles. The adoption of the 2009 CLEAR table will result in changes in rates which are just and reasonable in the circumstances of this filing.

[14] The Board approves the proposal of COSECO to change its rate for private passenger vehicles as described in the Application as a result of the adoption of the 2009 CLEAR table, and approves the effective date of June 1, 2010, for both new and renewal business.

[15] The Board also finds, as outlined in the Rate Filing Requirements (Prior Approval) that only sections 4 (excluding questions 1 and 2), 5 and 6, are confidential.

[16] An Order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 2<sup>nd</sup> day of March, 2010.

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Murray E. Doehler