



## AUTO INSURANCE BULLETIN

### OFFICE OF THE SUPERINTENDENT OF INSURANCE

April 21, 2016

#### **Matters Considered in Automobile Insurance Rates and Risk-Classification Systems**

##### **Regulation:**

On February 29, 2016 regulation 39-2016 was passed by O.I.C. # 2016-54

<http://www.novascotia.ca/just/regulations/regs/IMattRateRisk.htm>

Below is an interpretation of the regulation from the Office of the Superintendent.

This regulation was designed to enable insurers to accept a voluntary payment from an at fault party involved in minor motor vehicle accidents resulting in property damage, but not one causing bodily injury. In 2011, regulation to prohibit a voluntary payment made by an insured to be used as a rating variable was passed. However, with the implementation of DCPD in 2013, some insurers are of the opinion that accepting voluntary payment from at-fault party may constitute subrogation.

On February 29, 2016, government made the regulation to clarify ambiguity and ensure insurers consistently apply; if an insured chooses to make a voluntary payment, the incident will not result in a risk-classification factor. This practice was put in place in 2011, and served consumers well. With this clarification, insurers are encouraged to develop their own threshold limits and protocols with respect to repayment options from at-fault parties. Insurers should engage their distribution network to educate consumers. The goal of this regulation is to clarify the position of government for the insurance industry and consumers.

Any questions regarding this or any other insurance matter may be directed to the Office of the Superintendent of Insurance, phone 902-424-6331 or [fininst@gov.ns.ca](mailto:fininst@gov.ns.ca)

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