

**April 3, 2013**

**Notice 01-13**

**Notice to all Stakeholders:  
Annual Review of Automobile Insurance Premiums for Basic Coverage**

The Automobile Insurance Rate Board (AIRB) is commencing the 2013 annual adjustment process that analyzes the industry-wide experience and determines whether premiums for basic coverage for private passenger vehicles should be adjusted. The Board will consult with interested stakeholders on the annual adjustment and is calling for stakeholders to file a letter of intent to participate in the process by Wednesday, May 1, 2013. This consultation process will conclude with a public meeting:

The public meeting will take place at the Delta Edmonton Centre Suite Hotel, 10222 – 102 Street NW, Edmonton on Tuesday, June 11 from 9:00 am to 5:00 pm.

**Background**

The annual review will collect input on whether the premium level for basic automobile insurance coverage<sup>1</sup> needs to be adjusted given the claims experience of the insured public in 2012 and expectations for the year commencing November 1, 2013. The Board's focus for this year's public meeting is on:

- Loss trends
- Impact of economic climate on claim costs

The profit provision will remain at 7% of premium for the 2013 industry-wide adjustment.

In order to participate in the public meeting, all stakeholders are invited to send a letter of intent to the Board. The letter of intent should specifically identify all the topics the presentation will cover. The Board will evaluate the letter of intent and presenters will be selected based on adherence to the areas identified above and relevance to the mandate of the Board. The purpose of a submission process is to ensure that presentations are within the scope of the annual review and relate to the industry-wide experience. All interested parties may attend the public meeting, but only those parties selected by the Board will be permitted to present to the Board.

**The Process**

There are three ways for interested parties to participate in the annual adjustment

- Submit a Letter of Intent to make a presentation to the Board at the public meeting.
- Send a Written Submission to the Board regarding the annual adjustment.
- Contact the Consumer Representative.

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<sup>1</sup> Basic coverage is third party liability and accident benefits coverage.

### **1) Letter of Intent to Present at Public Meeting**

All interested parties wishing to present to the Board during the public meeting must file a letter of intent by May 1, 2013. Your letter of intent should include:

- A list of the issues that you wish to present to the Board, including a description of how these issues apply to the criteria that must be considered by the Board and to industry experience for the past year.
- Your presentation should contain information that is accurate, based on current circumstances and related to the Alberta insurance market.

The Board will review all letters of intent and select presenters. Presenters will be notified by May 6, 2013 of when they are scheduled to present at the public meeting. Each presenter must file their submission with the Board by May 31, 2013. The presenters' submissions and presentation materials introduced at the public meeting will be posted to the AIRB website following their presentations.

The Board actuary's (Oliver Wyman) preliminary report on the industry-wide experience will be posted on the AIRB website on May 31. Presenters are invited to comment on the report during their oral presentation.

### **2) Written Submissions**

As an alternative to making a presentation during the public meeting, stakeholders are invited to make a written submission to the Board on issues related to the annual adjustment. Written submissions must be received by May 31, 2013. Submissions will be posted to the AIRB website on June 12 following the public meeting.

### **3) Input to the Consumer Representative:**

Consumers not wishing to make a presentation or submit a written submission may make comments regarding the annual adjustment to the Consumer Representative. The Board may also direct parties to provide their input to the Consumer Representative, Merle Taylor, who will collect the input of consumers. During the public meeting, the Consumer Representative will present a report to the Board on the input that she has received.

### **Attendance at Public Meeting:**

The annual review will be a public process and all interested parties may attend the public meeting. However:

- Only those parties who have been invited to make a presentation will have an opportunity to speak to the Board.
- Presenters are invited to ask the Board questions at the end of their presentation.
- All presenters and attendees at the public meeting will be responsible for any expenses they incur in order to attend the public meeting.
- During the public meeting, the Board will reserve the right to go into in-camera sessions if necessary to protect proprietary data.

**Important Dates:**

1. May 1, 2013                      Deadline for Letter of Intent
2. May 31, 2013                    Deadline for written submissions
3. June 3, 2013                    Board preliminary actuarial report posted to AIRB website  
[www.airb.alberta.ca](http://www.airb.alberta.ca)
4. June 11, 2013                   Public Meeting  
Submissions and presentation materials posted to AIRB website  
[www.airb.alberta.ca](http://www.airb.alberta.ca)
5. July 25, 2013                    Board Decision Released

**Public disclosure of all presentation and written submissions:**

Subject to section 816 of the *Insurance Act*, any information (including personal or business information) that is submitted to the Board for consideration in the annual adjustment process will be considered made in the context of a public meeting, whether made as a written submission or an oral presentation, and will be made available to the public upon request to the Board.

**Letters of intent and submissions should be sent to:**

Automobile Insurance Rate Board  
2440 Canadian Western Bank Place  
10303 Jasper Avenue  
Edmonton, AB T5J 3N6

Phone:                   780-427-5428, or  
Alberta toll free:   310-0000  
Fax:                     780-638-4254  
Email:                  [AIRB@gov.ab.ca](mailto:AIRB@gov.ab.ca)

**To contact the Consumer**

**Representative:**

Ms Merle Taylor  
c/o Automobile Insurance Rate Board  
2440 Canadian Western Bank Place  
10303 Jasper Avenue  
Edmonton, AB T5J 3N6

Phone:                   780-427-5428, or  
Alberta toll free:   310-0000  
Fax:                     780-638-4254  
Email:                  [AIRB@gov.ab.ca](mailto:AIRB@gov.ab.ca)