

July 18, 2016

Notice 03-16

**Notice to all Stakeholders:  
Annual Review of Commercial Vehicles Insurance Loss Experience**

The Automobile Insurance Rate Board (AIRB) is commencing its 2016 Annual Review to analyze industry loss experience for commercial vehicles to establish the Industry Benchmarks schedule to be used in the review of insurers' commercial vehicle rate filings for basic and additional coverage, effective October 1<sup>st</sup>, 2016. The Board invites comments from interested stakeholders as part of its Annual Review and is calling for stakeholders to send a written submission to the AIRB by August 12, 2016.

**Background**

Prior to 2015, the Board reviewed commercial vehicle trend rates on an annual basis for internal use in the review of Commercial filings but did not post this information on our website. At its meeting of October 23<sup>rd</sup>, 2015, the Board decided to provide greater transparency by placing the approved Benchmarks Schedule and the actuarial report on the AIRB website.

On October 30<sup>th</sup>, 2015 the AIRB issued Bulletin 07-2015 to advise all commercial vehicle automobile insurers operating in Alberta that the AIRB's 2015 review of loss trend rates had been completed based on data to December 31<sup>st</sup>, 2014 and that the Commercial Vehicles Industry Benchmarks Schedule had been approved for commercial filings effective November 1<sup>st</sup>, 2015. The Schedule and the related actuarial report were posted on the AIRB website (<https://airb.alberta.ca/industry-information/communications/bulletins/>).

The Board at its February 26<sup>th</sup> 2016 meeting agreed to issue a letter to industry stakeholders requesting feedback on various AIRB processes that have been introduced with the new Premiums Regulation in July 2014. Included in this letter was a request for input on the AIRB's current commercial industry benchmarks schedule and process. The response from industry was clear, that it wanted the opportunity to provide input.

**The Process**

The AIRB's Preliminary Report (as prepared by Oliver Wyman, the AIRB's consulting Actuary) on industry experience was [posted on the AIRB website](#) on Monday, July 18<sup>th</sup>, 2016. Stakeholders are invited to review the report and provide a written submission to the Board for consideration in finalizing the Commercial Industry Benchmarks Schedule for filings received on or after October 1, 2016. Written submissions must be received by Friday, August 12<sup>th</sup>, 2016.

**Public disclosure of all written submissions:**

All written submissions will be posted to the AIRB website Monday, August 15<sup>th</sup>, 2016.

**Important Dates:**

1. July 18<sup>th</sup>, 2016 Preliminary actuary report posted to the AIRB website  
<http://www.airb.alberta.ca/>
2. August 12<sup>th</sup>, 2016 Deadline for written submissions
5. September 23<sup>rd</sup>, 2016 Commercial Vehicles Industry Benchmarks Schedule posted to website

**Written submissions may be emailed to the [AIRB@gov.ab.ca](mailto:AIRB@gov.ab.ca) or mailed to the following address:**

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)

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