

Notice 4-05

September 9, 2005

To: Private Passenger Automobile Insurers

Subject: Industry-wide Levy and Fees

Please be advised that as of September 8, 2005, the Automobile Insurance Rate Board (AIRB) will begin to assess fees on insurers. The *Automobile Insurance Rate Board Fees Regulation* will enable the AIRB to recover the cost of its operation through two kinds of fees:

1. an annual industry-wide levy; and
2. specific one-time fees for:
 - a) applications from new insurers;
 - b) review of a rating program for basic coverage other than private passenger vehicles, and
 - c) special requests filed with the Superintendent of Insurance under Section 6 of the *Automobile Insurance Premiums Regulation*.

The annual industry-wide levy will be assessed against the proportionate share of automobile premium written in Alberta the previous year. It will be calculated by multiplying an insurer's proportionate share of total premium written in Alberta in the previous year, by the Board's annual budget, less estimated revenue generated from fees collected for "one-time" applications. If the fee calculated is less than \$100, the insurer will be exempted from paying. Insurers will receive a notice in the mail in the next few weeks informing them what their levy will be for 2005/06. This amount will be payable within 30 days of receipt of the formal invoice. Attached is an initial estimate of the fee payable for your company.

As of September 8, 2005, a \$500 fee will be assessed for:

- 1) a new insurer's application,
- 2) a review of a rating program for basic coverage other than private passenger, and
- 3) a review under Section 6 of the *Automobile Insurance Premiums Regulation*.

In addition, any actual costs of engaging the services of an actuary for the purposes of carrying out the review will be assessed at cost in addition to the \$500 fee.

ORIGINAL SIGNED BY

Peter Thomas
Executive Director and Secretary to the Board