

BULLETIN: 12-2021  
DATE: DECEMBER 1, 2021

**Bulletin to All Insurers**  
Principles for Rating Variables  
Effective December 1, 2021

**Purpose:**

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all automobile insurers operating in Alberta of the principles for rating variables for both private passenger and other than private passenger vehicles.

**Background:**

Bill 41 Insurance (Enhancing Driver affordability and Care) Amendment Act introduced a number of reforms to the Insurance Act and regulations, including the authority for the AIRB to prohibit or require the use of any rating variable (section 2(2) of the Automobile Insurance Premiums Regulation). In accordance with Section 604 of the Insurance Act, the AIRB is providing guidance related to this authority.

Following the transfer of authority, AIRB requested data from insurers to provide a complete list of rating variables including discounts, surcharges and endorsements. This data, along with the review of other jurisdictions legislation and frameworks was utilized to develop guidance regarding the use of rating variables.

Industry was consulted and their feedback was incorporated into the final principles for rating variables included in the AIRB's Technical Guidance.

**Process:**

Prior to the implementation of new rating variables including discounts and surcharges, all insurers are required to submit a request to the AIRB and a decision must be rendered before proposing them in a rate filing.

**Action Required:**

All insurers wishing to submit a filing which includes the introduction of any new rating variables should review Principles for Rating Variables in the AIRB Technical Guidance.

Should you have any questions relating to this Bulletin, please contact our office at (780) 427-5428 or by email: [airb@gov.ab.ca](mailto:airb@gov.ab.ca).

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