

Filings – Sample Information Request Questions

The AIRB reviews all filings submitted. During the review the AIRB Staff will ask questions, for areas not clear or answered in the filing. Our Consulting Actuary will ask questions related to Full Filings, to ensure timely review of your filing **we recommend you review the sample information request questions and ensure they are addressed in your initial filing submission.**

The questions below are **sample questions** and are not exclusive due to confidentiality.

Data

1. Are the premiums used in indication capped or not?
2. How are the catastrophe claims treated when developing claims and trends?
3. The triangles are based on jurisdiction combined data, provide Alberta-specific data to support your proposed rate level change.

Development

4. Has there been any change affecting the triangles? E.g., reserving strengthening, data reporting change, etc.
5. For each coverage, explain what the “judgment” selections are based on.
6. What is the rationale for picking XXX for development period XXX of a certain coverage?
 - a. What is the alternative indication if XXX is selected?
7. Collision loss development given collision is short-tailed coverage, provide the alternative indication based on XXX for the XXX development period.

Expense

8. What is the standard commission ratio you have in contract?
9. Do you charge finance fees?
 - a. If yes, how are they treated in the indication?
 - b. What percentage of premiums do the fees represent?
 - c. If no, provide alternative indication by treating it as either additional premium or negative expense
10. Has there been any shift in % of claims being:
 - a. adjusted in-house or externally?
 - b. handled by in-house legal team or externally?
11. How was ULAE treated in prior years? What is the reason for the change? What is the estimated impact to the selected ULAE provision?
12. Why is the budgeted fixed expense ratio different from the historical level?
13. Explain the difference between the filed expense ratio and the one in the Automobile Insurance Financial Information.
14. Does the indication use the current health levy benchmark? If not, apply the latest benchmark.
15. Provide 3 years history of marketing expenses as a % of premiums included in Other Operating Expenses.
16. Do you provide contingent commission? If yes, provide details.
17. Does the indication include the 2020 and 2021 profit commissions? If yes, evaluate if they are overstated due to the reduction of vehicle usage during the COVID-19 pandemic.

Premium

18. Has there been any shift in mix of business? E.g., age, territory distribution due to marketing? Has the premium drift taken into consideration of liability limit change and deductible change?
19. Do you provide any unfiled discounts for competition reason? If yes, are the premiums used in the indication on an un-discounted basis?
20. When the premiums were brought to the current level, were Grid rate changes taken into account?
 - a. If yes, provide details of the adjustment.
 - b. If not, provide updated indication with the adjustment.

Adjustments

21. How are the thresholds for large losses selected?
 - a. What is alternative indication if the large loss adjustment procedure is removed?
22. How is the catastrophe provision selected?
 - a. What is the catastrophe definition?
 - b. Provide the company's catastrophe experience.

Indication

23. What is the rationale for the proposed rate level changes?

Other Benchmarks

24. Does the complement of credibility include either the insurance group mixed data or the trended pure premium using the industry data? If yes, evaluate whether this complement creates unnecessary bias due to the differences in mix of business and the reasonableness to use the net trend method only.

Rating Variable

25. ILF/Deductible: make sure there is no reversal in the relativities.
26. Explain why the proposed relativity changes are different from the indications.