

Notice to Interested Parties

Semi Annual Review of Industry Experience as of June 2024 for Private Passenger Vehicles

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this notice to advise all interested parties the AIRB has commenced consultation on its 2025 semi-annual review for private passenger vehicles (PPV). This review analyzes industry loss experience as of June 2024 for PPV to establish Industry Benchmarks used in the review of insurers' rate filings for basic and additional coverage effective April 1, 2025.

Background

Section 9 of the Automobile Insurance Premiums Regulation requires the AIRB to conduct an annual review. The AIRB also conducts a semi-annual review for PPV in accordance with [AIRB Policy P05- Review of Automobile Insurance Trends & Premiums](#) to use the most current available data in its review of rate filings.

The AIRB develops Industry Benchmarks to support insurers when preparing rate filings. The AIRB and its consulting actuary, Oliver, Wyman Limited, use the Industry Benchmarks as a reference when reviewing individual insurer' filings and opining on the assumptions' reasonableness. The insurer's data must support assumptions that vary significantly from industry experience. The AIRB expects insurers to use their own data in rate filings to the extent possible, reflecting their mix of business and unique circumstances. Insurers may use the AIRB Industry Benchmarks when they do not have sufficient data or cannot support their assumptions' reasonableness.

Process

- 1 The AIRB's consulting actuary completes a preliminary Review of Industry Experience (as of June 30) for PPV, once the data is available.
- 2 The AIRB reviews, approves, and posts the preliminary report and invites interested parties to submit written comments on the loss trends or benchmarks.
- 3 This Notice initiates the consultation process and provides a timeline for providing input to the AIRB.
- 4 The AIRB staff and consulting actuary review all written submissions, and update the report, as needed, based on new information received, prior to finalizing the report.
- 5 The AIRB reviews, approves, and posts the final report advising the industry benchmarks to be used as a guide in its review of insurers' rate filings effective April 1.

Important Dates

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| 1 | January 31, 2025 | Post the preliminary Review of Industry Experience |
| 2 | February 28, 2025 | Deadline for written submissions |
| 3 | April 1, 2025 | Post final Review of Industry Experience and rate filing benchmarks |



Public Disclosure of all Written Submissions

Subject to section 816 of the Insurance Act, any information (including personal or business information) submitted to the AIRB for consideration in the semi-annual review process will be made available on our website.

Action Required

We invite all interested parties to review the AIRB consulting actuary's Preliminary Review of Industry Experience posted to the AIRB's website, and those wishing to comment on the report may send written submissions by e-mail to airb@gov.ab.ca no later than 2:00 pm Alberta time on February 28, 2025.

The AIRB appreciates all input into this important review of industry loss cost trends to inform the benchmarks effective April 1, 2025

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

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Executive Director