

Bulletin to PPV Insurers

Private Passenger Vehicle Benchmark Schedule

Effective April 1, 2025

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all private passenger vehicle (PPV) insurers operating in Alberta the 2025 Semi-annual Review of PPV experience has been completed based on data to June 30, 2024. The AIRB has approved the PPV Industry Benchmarks Schedule (Schedule), effective April 1, 2025. The AIRB has posted the Schedule and the related actuarial report on the AIRB [website](#).

Background

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

The AIRB develops Industry Benchmarks to support insurers when preparing rate filings. The AIRB and its consulting actuary use the Industry Benchmarks as a reference when reviewing individual insurer's filings and opining on the assumptions' reasonableness. The insurer's data must support assumptions that vary significantly from industry experience.

On January 31, 2025, the AIRB shared the preliminary report for the 2025 Semi-annual Review with the industry and invited them to participate through written submissions.

Action Required

Based on the Annual Review analysis of Alberta PPV loss experience ending June 30, 2024, the AIRB approved the PPV Industry Benchmarks Schedule to take effect on April 1, 2025.

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. The AIRB will use these industry benchmarks as a point of reference in our review of PPV filings submitted on or after April 1, 2025.

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

Laurie Balfour, MBA, CPA, CMA
Executive Director

Attachment

- 1 2025 Annual Review Industry Benchmarks Schedule – Private Passenger Vehicle - Effective April 1, 2025

2025 Annual Review Industry Benchmarks Schedule – PPV

Effective Date: For all filings submitted on or after April 1, 2025

Loss Development Factors

Appendix #1 outlines the AIRB approved benchmark loss development factors for use by insurers in developing filings.

Loss Trends

The AIRB approved benchmark trend rates for use by insurers in developing filings:

Coverage	Selected Past/ Future Trend Rates
Bodily Injury	+9.1%
Property Damage	+1.5%/+10.3%
Direct Compensation for Property Damage	+1.5%/+10.3%
Accident Benefits	+12.0%/+5.5%
Collision	+2.5%/+16.7%
Comprehensive	+5.1%
All Perils	+3.2%
Specified Perils	+4.9%
Underinsured Motorist	+4.9%

Insurers should use their data to select loss trend rates, to the extent it is credible, and provide full support and details. If an insurer does not have credible data, they may use these benchmark loss trend rates without further support.

Other Benchmarks

Other Benchmark	Selected Benchmark
Health Cost Recovery	Current ¹
Operating Expenses	27.60%
Unallocated Loss Adjustment Expenses (ULAE)	1.123
Profit Provision	6.00%

¹ Refer to the most current percentage published on the President of Treasury Board and Minister of Finance's [website](#).

Appendix 1

AIRB Approved Age-to-Ultimate Development Factors As of June 30, 2024 Alberta Private Passenger Automobile (Excluding Farmers)

As of 2024-1
Age-to-Ultimate Factors
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Comprehensive Theft	All Perils	Specified Perils	Underinsured
180-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
162-Ult	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.005
150-Ult	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.003
144-Ult	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
138-Ult	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.002
132-Ult	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	0.997
126-Ult	1.003	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.005
120-Ult	1.005	1.000	1.003	1.000	1.000	1.000	1.000	1.000	0.991
114-Ult	1.007	1.000	1.004	1.000	1.000	1.000	1.000	1.000	0.992
108-Ult	1.008	1.000	1.007	1.000	1.000	1.000	1.000	1.000	0.984
102-Ult	1.010	1.000	1.007	1.000	1.000	1.000	1.000	1.000	0.993
96-Ult	1.012	1.000	1.008	1.000	1.000	1.000	1.000	1.000	0.978
90-Ult	1.012	1.000	1.009	1.000	1.000	1.000	1.000	1.000	0.980
84-Ult	1.016	1.000	1.008	1.000	1.000	1.000	1.000	1.000	0.967
78-Ult	1.023	1.000	1.008	1.000	1.000	1.000	1.000	1.000	0.970
72-Ult	1.028	1.000	1.003	1.000	1.000	1.000	1.000	1.000	0.960
66-Ult	1.041	1.000	1.005	1.000	1.000	1.000	1.000	1.001	0.992
60-Ult	1.062	1.000	1.007	0.999	1.000	1.000	0.999	1.001	1.013
54-Ult	1.098	1.000	1.015	0.999	1.000	1.000	0.999	1.001	1.046
48-Ult	1.141	0.999	1.021	0.999	0.999	0.999	0.999	1.001	1.082
42-Ult	1.210	1.000	1.023	0.999	0.999	0.999	1.000	1.001	1.133
36-Ult	1.318	1.000	1.033	0.999	0.999	1.000	1.000	1.001	1.262
30-Ult	1.482	1.001	1.030	0.997	0.999	0.999	0.999	1.001	1.507
24-Ult	1.770	1.008	0.996	0.990	1.000	0.999	0.993	0.999	1.961
18-Ult	2.109	1.013	1.061	0.972	1.003	0.998	0.991	0.999	2.384
12-Ult	2.583	1.020	1.107	0.934	1.003	0.987	0.972	1.012	3.181
6-Ult	3.896	1.073	1.232	0.927	1.025	0.990	1.015	0.953	8.853

As of 2024-1

**Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Comprehensive Theft	All Perils	Specified Perils	Underinsured
180-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.985
138-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.985
132-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.976
126-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.971
120-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.966
114-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.939
108-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.898
102-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.876
96-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.842
90-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.822
84-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.775
78-Ult	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.731
72-Ult	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.669
66-Ult	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.001	0.643
60-Ult	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.001	0.611
54-Ult	0.991	1.000	1.000	1.000	1.000	1.000	1.000	1.001	0.591
48-Ult	0.987	1.000	1.000	1.000	1.000	1.000	1.000	1.001	0.564
42-Ult	0.982	1.000	0.999	1.000	1.000	1.000	1.000	1.001	0.536
36-Ult	0.984	1.000	1.000	1.000	1.000	1.000	1.000	1.001	0.553
30-Ult	0.983	1.000	0.999	0.999	1.000	1.000	0.999	1.001	0.627
24-Ult	1.010	1.001	0.999	0.998	1.002	1.000	0.995	1.001	0.885
18-Ult	1.042	1.004	0.999	0.989	1.007	1.000	0.994	1.007	1.043
12-Ult	1.050	1.000	0.994	0.956	1.017	0.999	0.976	1.006	1.227
6-Ult	1.196	1.028	0.987	0.884	1.086	1.005	0.934	1.043	1.604