

2021 Annual Review Industry Benchmarks Schedule – PPV

Effective Date: For all filings submitted on or after April 1, 2021

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	Oliver Wyman Selected Past/Future Trend Rates
TPL - Bodily Injury	+7.0%/+5.0%*
TPL - Property Damage	+1.5%
TPL – Subtotal	+5.4%/+4.7%
Accident Benefits	0.0%/+11.5%**
Collision	+1.5%/+1.0%*
Comprehensive	+6.5%
Specified Perils	+4.0%
All Perils	+3.0%
Underinsured Motorist	+4.0%

* Future trend rate begins April 1, 2020

** Future trend rate begins January 1, 2015

Insurers may use these benchmark loss trend rates without further support. Insurer should provide full support if using their own data to select loss trend rates.

Catastrophe Loading

The AIRB approved catastrophe loading is 51%. Where insurers' own claim experience differs from industry and is credible, the Board acknowledges insurers may select a different catastrophe loading based on their own claim experience, providing their catastrophe definition has been consistent in the experience period.

Administrative Expense & Unallocated Loss Adjustment Expense (ULAE)

The AIRB approved expense ratio is 26.0% based on 2019 GISA Expense Report; and the approved ULAE factor is 1.108 based on the published GISA accident year 2019 ULAE provision. Insurers' should use their own experience when filing with the AIRB.

Health Cost Recovery

Health Cost Recovery is a component of claims costs reported by insurers. Insurers must use the most current percentage published on the President of Treasury Board and Minister of Finance's

[websitewebsite](#).

Profit

The AIRB approved 7% of premium as a target pre-tax profit provision for all coverages.

AIRB Approved Age-to-Ultimate Development Factors
 As of June 30, 2020
 Alberta
 Private Passenger Automobile (Excluding Farmers)

As of 2020-1
 Age-to-Ultimate Factors
 Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Comprehensive Theft	All Perils	Specified Perils	Underinsured
180-Ult	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	1.001	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	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.005
150-Ult	1.002	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.015
144-Ult	1.003	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.016
138-Ult	1.004	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.012
132-Ult	1.004	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.007
126-Ult	1.004	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.005
120-Ult	1.006	1.000	1.003	1.000	1.000	1.000	1.000	1.000	0.997
114-Ult	1.006	1.000	1.003	1.000	1.000	1.000	1.000	1.000	0.992
108-Ult	1.009	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.005
102-Ult	1.012	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.023
96-Ult	1.017	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.009
90-Ult	1.021	1.000	1.004	1.000	1.000	1.000	1.000	1.001	1.010
84-Ult	1.023	1.000	1.004	1.000	1.000	1.000	1.000	1.001	1.000
78-Ult	1.026	1.000	1.004	1.000	1.000	1.000	1.000	1.002	0.999
72-Ult	1.033	1.000	1.005	1.000	1.000	1.000	0.999	1.002	1.001
66-Ult	1.043	1.000	1.005	1.000	1.000	1.000	1.000	1.003	1.014
60-Ult	1.054	1.000	1.008	1.000	1.000	1.000	1.000	1.003	1.035
54-Ult	1.075	1.000	1.012	1.000	1.000	0.999	1.001	1.002	1.074
48-Ult	1.104	1.000	1.018	1.000	1.000	0.999	1.000	1.002	1.073
42-Ult	1.155	0.999	1.019	1.000	1.000	0.999	1.002	1.002	1.098
36-Ult	1.239	1.000	1.024	0.999	1.000	1.000	1.001	1.000	1.202
30-Ult	1.368	1.001	1.025	0.998	1.000	0.999	1.003	1.001	1.427
24-Ult	1.577	1.005	1.007	0.987	1.001	0.999	0.993	0.997	1.814
18-Ult	1.820	1.021	1.057	0.958	1.002	0.995	0.970	0.995	2.202
12-Ult	2.116	1.061	1.091	0.864	1.000	0.984	0.914	0.978	2.942
6-Ult	2.817	1.202	1.035	0.612	0.975	0.945	0.815	0.906	7.655

AIRB Approved Age-to-Ultimate Development Factors
As of June 30, 2020
Alberta
Private Passenger Automobile (Excluding Farmers)

As of 2020-1
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	0.990
144-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.990
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	0.985
126-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.949
120-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.938
114-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.898
108-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.864
102-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.841
96-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.806
90-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.780
84-Ult	0.999	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.730
78-Ult	0.998	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.684
72-Ult	0.997	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.624
66-Ult	0.996	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.588
60-Ult	0.994	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.538
54-Ult	0.992	1.000	1.000	0.999	1.000	0.999	1.000	1.000	0.505
48-Ult	0.990	1.000	1.000	0.999	1.000	0.999	1.000	1.000	0.473
42-Ult	0.987	1.000	0.999	0.999	1.000	0.999	1.000	1.000	0.449
36-Ult	0.991	1.000	1.000	0.999	1.000	0.999	1.000	1.001	0.456
30-Ult	0.991	0.999	0.999	0.999	1.000	0.999	1.001	1.001	0.513
24-Ult	1.020	0.998	1.000	0.994	1.002	1.000	1.000	1.000	0.710
18-Ult	1.047	1.006	1.000	0.978	1.006	1.000	0.999	1.002	0.833
12-Ult	1.047	1.023	0.996	0.914	1.015	0.998	0.986	0.999	1.018
6-Ult	1.115	1.116	0.965	0.716	1.111	1.002	0.956	1.023	1.406