

OLIVER WYMAN
A MARSH BUSINESS

CARE-FIRST: ACTUARIAL COSTING

Automobile Insurance Rate Board

20 March 2026

FINAL REPORT

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1. Executive Summary

1.1. Purpose and Scope

The Automobile Insurance Rate Board (AIRB or the Board) retained Oliver, Wyman Limited (Oliver Wyman) to support the implementation of Alberta’s new automobile insurance system, Care-First. Specifically, in this report, we provide:

- Actuarial estimates of the *required* industry average premium under the Care-First system. *Required* premiums represent our estimate of the amount that insurers would need to collect to cover claims, expenses, and profit. We provide these estimates separately for the following vehicle classes:
 - Private passenger vehicles (PPV)
 - Commercial vehicles (CV)
 - Motorcycles (MC)
 - Other Miscellaneous Classes
- Actuarially indicated estimates of endorsement premiums for coverage in excess of the Care-First limits. We refer to the coverage provided under these endorsements as the “top-up” limits and coverage.

1.2. Actuarial Findings

In Table 1, we present our estimates of required premiums by vehicle class. We present our findings related to premium savings and market stability in Section 2. In Table 2, we present the loss costs underlying those premiums. We present indicated loss costs for top-up coverage in Table 3. These loss costs and required premiums will serve as benchmarks for AIRB in reviewing Care-First filings. The AIRB will provide further directions in the Care-First Filing Guidelines.

1.3. Report Structure

We summarize Care-First benefits in Sections 3 and 3.5. We describe the assumptions underlying the calculation of the required premium in Section 5. In Sections 6 and 7, we describe the adjustments we include in our modeling to determine the required Care-First accident benefits and bodily injury/top-up premiums, respectively. We discuss our modeling of other classes in Section 8, and summarize our estimates in Section 9.

The Board posted our preliminary report on its website on February 4, 2026. Comments received by February 25 were considered in this final report. The AIRB will post the model underlying the estimates presented in this report to its website for ease of use and review by interested stakeholders.

Table 1: Summary of Required Premiums

Section	Coverage	Subcoverage	PPV	CV	MC
A.	Third-Party Liability	Bodily Injury	57.60	43.55	30.27
		Outgoing Loss Transfer*	13.24	178.52	0.00
		Property Damage	31.49		
				285.04	30.61
A.1.	Direct Compensation for Property Damage		331.09		
B.	Accident Benefits	Health Levy	58.24	46.65	4.62
		Income Replacement & Other Monetary Benefits	289.60	94.23	380.47
		Health Care and Related Expenses	201.39	147.70	161.93
		Death Benefits and Related Expenses	15.74	24.06	35.19
		Permanent Impairment	55.90	85.44	289.99
		Uninsured Motorist	0.23	1.64	1.05
		Incoming Loss Transfer*	(14.48)	(5.47)	(235.59)
C.	Loss of or Damage to Insured Automobile	All Perils	1,166.69	898.69	269.57
		Collision or Upset	467.39	418.79	136.85
		Comprehensive	519.58	578.56	78.42
		Specified Perils	160.49	137.34	28.06
	SEF 44/Uninsured Motorist		0.64	2.28	6.43
Subtotal Basic Coverage			1,040.04	901.36	698.54
Full Coverage†			2,027.64	1,900.99	920.24

Table Notes

* Loss transfer recoveries are for indemnity only. Therefore, for incoming loss transfer payments, we only subtract the estimated recovered loss cost. However, as there will be additional costs to gather information to send outgoing loss transfer payments, we apply the loss cost multiplier to outgoing loss transfer payments.

We discuss the reporting of loss transfer further in Section 9.2.

† See Section 1.4 for a definition of full coverage.

Table 2: Summary of Indicated Nominal Loss Costs

Section	Coverage	Subcoverage	PPV	CV	MC
A.	Third-Party Liability	Bodily Injury	42.00	30.00	24.00
		Outgoing Loss Transfer	9.65	122.99	0.00
		Property Damage	21.79	193.77	21.04
A.1.	Direct Compensation for Property Damage		229.07		
B.	Accident Benefits	Health Levy	39.29	30.90	3.10
		Income Replacement & Other Monetary Benefits	268.58	85.02	393.09
		Health Care and Related Expenses	163.72	114.84	144.61
		Death Benefits and Related Expenses	11.01	15.84	26.69
		Permanent Impairment	39.12	56.25	219.91
		Uninsured Motorist	0.20	1.36	1.00
		Incoming Loss Transfer	(14.48)	(5.47)	(235.59)
C.	Loss of or Damage to Insured Automobile	All Perils	805.48	609.41	184.87
		Collision or Upset	321.99	283.36	93.65
		Comprehensive	358.35	391.91	53.72
		Specified Perils	110.64	92.94	19.21
SEF 44/Uninsured Motorist			0.16	0.37	3.98
Subtotal Basic Coverage			809.93	645.49	597.84
Full Coverage [†]			1,490.43	1,321.13	684.65

Table Notes

[†] See Section 1.4 for a definition of full coverage.

* We discuss the reporting of loss transfer further in Section 9.2.

Table 3: Top-Up Indicated Required Premium

Division	Benefits	Limits and Amounts	Top-Up Required Premium
3	Income Replacement Benefit (including Retirement Income Benefit)	Additional \$50,000	263.98
		Additional \$100,000	471.36
		Additional \$200,000	736.03
		Additional \$300,000	1,079.41
		Additional \$400,000	1,429.38

Division	Benefits	Limits and Amounts	Top-Up Required Premium
2	Daily Living Assistance Expense		
	Expenses For Care of the Person		
	Transportation, Lodging, Other Expenses	Additional \$100,000 (non-catastrophic injuries)	
	Family Enterprise*	Additional \$250,000 (catastrophic injuries)	
5	Funeral and Interment Expenses		
2 & 5	Total		7.97

Table Notes

* Reflects 25% take-up rate; See Section 7.3 for take-up rate sensitivity.

It is unclear how insurers will market and sell top-up coverage. Our estimates for top-up loss costs reflect a “cafeteria offering,” which allows insureds to “pick and choose” top-ups for Division 3, and Division 2 & 5. Under this approach, there is no spread of risk in the top-ups for Division 3 – income replacement and other monetary benefits. If instead, insurers offered an “all or none” top-up, indicated loss costs for Division 3 would likely be materially lower, and would be based on the take-up rates by income category. We discuss our lost cost modeling for top-ups in Section 7.3.

1.4. Relevant Comments

- The Government of Alberta previously retained Oliver Wyman to conduct a feasibility study on long-term automobile insurance reform options. An insurance system similar to Care-First (i.e., private delivery of the Manitoba product) was among the options reviewed. We issued our feasibility study in April 2024. Appendix C of this report presents a review of the differences between the estimates in this report and those in our April 2024 feasibility study. Section 2 provides additional context to the changes and differences in findings between this report and our April 2024 feasibility study.
- Unless noted otherwise, we define “full coverage” as including bodily injury, property damage, direct compensation property damage, accident benefits, underinsured motorists, collision, and comprehensive (rather than all perils or specified perils).
- This report includes an analysis of all vehicle classes. However, we focus our analysis on private passenger vehicles. Unless indicated otherwise, amounts, estimates, and comments relate to private passenger vehicles.
- Care-First results in changes in loss costs and premiums for injury coverages (accident benefits, bodily injury, and family protection endorsement (SEF44)). Care-First does not affect loss costs for other coverages. Changes to required premiums for coverages other than injury coverages result from the reallocation of fixed expenses.
- We note the regulations on loss transfer have not yet been announced. However, we understand insurers will need to include loss transfer in their Care-First reform filing. We describe loss transfer in more detail in Section 9.

- There is significant uncertainty in pricing a new insurance product. In addition to the lack of claims experience available for review, we note that the Government has not passed all the necessary regulations, and some aspects (for example, fee schedules) of the Care-First remain subject to change. Our actuarial and modeling assumptions incorporate a prudent level of conservatism to recognize that uncertainty.
- The transition to Care-First may produce one-time costs for insurers. These costs are not within the scope of our costing.
- Costs may also differ during the transition as insurers, insureds/claimants, and the wider insurance ecosystem adapts to the new system. These adaptation costs are not reasonably estimable and are not included in the scope of our costing.
- The AIRB established an Actuarial Advisory Committee (AAC) to support the development of the estimates presented in this report. In addition to Oliver Wyman and the AIRB, the AAC included representatives from seven private insurers and Facility Association. The AAC met regularly starting in late July 2025. AAC members had the opportunity to review our costing models and estimates and provide feedback and suggestions. In addition, to ensure all insurers, not just those on the AAC, could comment on the development of the models, the AIRB posted draft models on its website for other interested stakeholders to review. We reviewed suggestions from the AIRB, AAC members, and other stakeholders and modified our modeling as we considered appropriate.
- In our modeling, we assumed that the Care-First system would function as intended. We recognize that there may be legal challenges that result in a system that functions differently than intended. If that were the case, required premiums would differ from those presented in this report.
- In this report, we present estimates of insurance industry loss costs and premiums. We expect to engage in discussions with the AAC and other industry stakeholders to develop guidance as to how to reflect risk differences in each insurer's portfolio. We will include that guidance in our final report.
- We developed the estimates principally based on data from the following sources:
 - Insurance industry data published by the General Insurance Statistical Agency (GISA) as compiled by GISA's service provider, IBM Canada (IBM).
 - Demographic and economic data compiled by Statistics Canada.
 - Manitoba Public Insurance's (MPI) General Rate Application
 - Insurance Corporation of British Columbia's (ICBC) Revenue Requirements Application
- Oliver Wyman reviews Alberta industry experience semi-annually. We developed the estimates in this analysis using data from our review of industry experience as of December 31, 2024, as presented in our 2025 Annual Review report dated September 15, 2025. We have completed our analysis of industry experience as of June 30, 2025. That report, our 2026 Semi-Annual Review dated January 15, 2026, remains in draft form pending industry and stakeholder comment.

We do not expect that the use of the estimates/assumptions from the 2026 Semi-Annual Review would result in materially different estimates of *Care-First required premiums* relative to our use of the 2025 Annual Review. However, due to volatility in industry experience for bodily injury, use of the 2026 Semi-Annual Review would result in materially lower (approx. \$275) estimates of *third-party liability current product required premiums*. However, this does not affect our estimates of consumer savings resulting from Care-First. The saving estimate is the difference between projected 2027 *street premiums* under Care-First and the current tort system (i.e., the premium difference the average Albertan will experience)

and not the difference to the projected *required premium* of the current tort system (i.e., the savings in loss cost from transitioning the current tort system to Care-First, loaded for profit and expenses).

- In Appendix E, we provide the data sources we used in our review. We assessed the reasonableness of our assumptions in the context of that data.
- We estimate a significant increase in motorcycle average premiums. This is primarily due to a higher likelihood of severe injury when a motorcycle accident occurs.

2. Care-First: A Care-Based Approach to Automobile Insurance

The Alberta Government established Care-First under the Automobile Insurance Act (formerly Bill 47), which received Royal Assent on May 15, 2025. The purpose of the Automobile Insurance Act was to reduce the cost of automobile insurance while providing more efficient delivery of care required to treat injuries sustained in automobile accidents.

Care-First introduces an entirely new insurance system focused on providing exceptional care at affordable costs. The Government is implementing Care-First to control costs, which have increased premiums for bodily injury coverage under the current tort-based system, while making substantial increases to the care and treatment available to Albertans injured in an automobile accident under accident benefits coverage. Care-First is also expected to provide rate stability over the longer term.

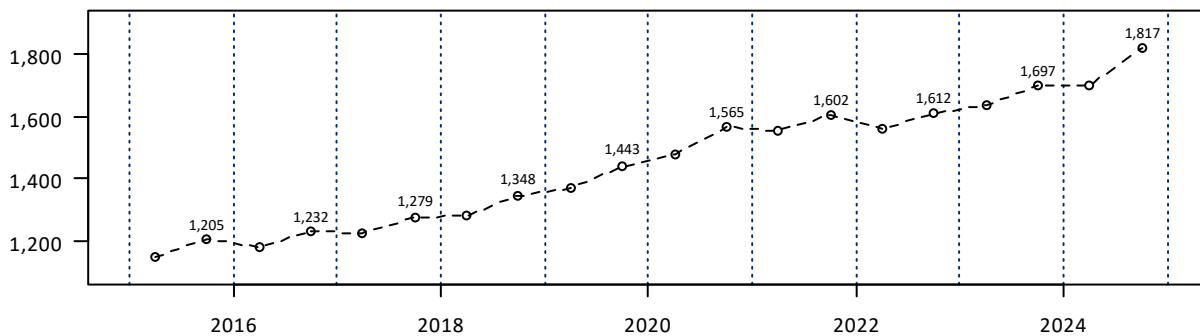
The Care-First system will start on January 1, 2027.

Additional information on Care-First is available at <https://care-first.alberta.ca/>.

2.1. Background

Automobile insurance premiums in Alberta have consistently risen over the past ten years. In Figure 1, we present the industry average written premiums by semester from 2015 to 2024 for PPV.

Figure 1: Private Passenger Vehicle Industry Average Written Premiums



Private passenger vehicle insurance premiums have risen approximately 57% over 10 years, from \$1,153 in early 2015 to \$1,817 in late 2024.

In response to the deterioration of affordability, the Alberta Government has issued several recent ministerial orders to limit rate changes.

- On January 25, 2023, Ministerial Order 11/2023 was issued, prohibiting the approval of any change to rating programs that would result in an increase in premium greater than 0.00% to any individual private passenger vehicle policyholder. This rate pause was in effect from January 25, 2023, to December 31, 2023.

- On October 30, 2023, Ministerial Order 38/2023 was issued, prohibiting the approval of any change to an insurer's rating program that would result in private passenger vehicle rates increasing more than the rate of Alberta Consumer Price Index (as calculated in September of the previous year), which was +3.7%, for any individual policyholder who met the definition of Good Driver. The Good Driver Rate Cap applied to rate approvals on or after January 1, 2024.
- On November 21, 2024, Ministerial Order 24/2024 was issued, which rescinded and replaced Ministerial Order 38/2023. The 2024 Order limited the approval of any change to an insurer's rating program that would result in private passenger vehicle rates increasing more than +7.5% for Good Drivers (including a +2.5% increase for catastrophic losses) in 2025. This Order required at least 12 months to have elapsed between rate increases for renewal business and limits the AIRB to approval of rate changes no greater than +10%, cumulatively, for any 12-month period for an insurer.
- On September 29, 2025, Ministerial Order 33/2025 was issued which rescinded and replaced Ministerial Order 24/2024. The 2025 Order limits the approval of any change to an insurer's rating program that would result in private passenger vehicle rates increasing more than +7.5% for Good Drivers (including a +2.5% increase for catastrophic losses) in 2026. This Order requires at least 12 months to have elapsed between rate increases for renewal business and limits the AIRB to approval of rate changes no greater than +12.5%, cumulatively, for any 12-month period for an insurer, and amends the definition of Good Driver.

The ministerial orders limited insurer rate changes, and those limitations may not have aligned with underlying cost changes. As a result, many insurers are not charging sufficient premiums to cover losses, expenses, and profit, leading to premium inadequacy. Using data as of June 30, 2025, we estimated that average premiums would need to increase by 24%¹ to achieve rate adequacy.

The Superintendent of Insurance 2024 Annual Report² stated,

Alberta's automobile insurance [Gross Insurance Service Ratio] GISR³ deteriorated from approximately 93 per cent in 2023 to approximately 118 per cent in 2024. This clearly indicates an overall operational loss for the year. The Superintendent notes that a substantial majority of Alberta automobile insurers were unprofitable in 2024, with private passenger automobile insurance seeing the greatest pressure.

The industry Gross Combined Insurance Service Ratio³ (GCISR) (IFRS 17) for 2023, which includes 5 percentage points of general expenses, was 123%.

¹ See Table 5. A comparison of the current street premium, adjusted for approved rate changes, and the required premium for filings submitted between April 1, 2026, and September 30, 2026, indicates a required increase of 26%.

² <https://open.alberta.ca/dataset/3d9d1330-365e-45b5-afbe-184bd20de918/resource/f8e9e5da-f5ad-49ce-9f9b-3aa1a0baf584/download/tbf-superintendent-of-insurance-annual-report-2024.pdf> (accessed 23 January 2026)

³ From the Glossary of Superintendent of Insurance 2024 Annual Report:

Gross Combined Insurance Service Ratio (GCISR) (IFRS 17) The total of the GISR + (general expenses not included in insurance service expenses/Insurance Revenue). Any number greater than 100% represents an underwriting loss. The GCISR does not include reinsurance expenses and investment income.

Gross Insurance Service Ratio (GISR) (IFRS 17) The ratio is calculated by dividing Insurance Service Expenses by Insurance Revenue. The GISR provides a broader view of performance than the Claims Ratio because it includes a wider range of insurance service-related expenses. However, it does not include reinsurance expenses, IFE and general expenses.

These conditions resulted in market instability with Zenith Insurance Company, Sonnet Insurance Company, and S&Y Insurance Company phasing out of the market. In rationalizing the withdrawal, insurers cited the high cost of litigation.⁴

2.2. Premium Savings and Market Stability Under Care-First

Our analysis indicates that Care-First will decrease claim costs, as presented in Table 4.

Table 4: PPV Claim Cost Comparison

Coverage	Policy Year 2027: Care-First Estimated Loss Costs	Policy Year 2027: Tort-Product Estimated Loss Costs	Increase / (Reduction) in Estimated Loss Costs
Third Party Liability	\$292.85	\$1,408.17	(\$1,115.31)
Health Levy	39.29	39.29	0.00
Accident Benefits*	477.79	157.88	319.91
Collision	321.99	321.99	0.00
Comprehensive	358.35	358.35	0.00
Underinsured Motorist	0.16	9.24	(9.08)
Industry Weighted Average*†	1,359.19	2,164.47	(805.28)
Full Coverage*	1,490.43	2,294.91	(804.48)

Table Notes

* Includes the net effect of loss transfer.

† Industry weighted reflects take-up rates on optional coverages, and includes insureds' purchases of specified perils/all perils in place of comprehensive and collision.

Although we expect *claim costs* to decrease under Care-First, the savings Albertans will experience result from changes in *premiums*. And, due to rate inadequacies, current insurance premiums do not reflect underlying claim costs. In Table 5, we compare the average written premium for policies written between January 1, 2025, and June 30, 2025,⁵ the average premium required in that period, the average required policy year 2027 premium under the current tort product, and the average policy year 2027 required premium under Care-First.

- We provide the comparatives for policies written between January 1, 2025, and June 30, 2025, to illustrate the current rate deficiency. Our 2026 Semi-Annual Review is the basis for the required premium.
- We provide the comparatives for policy year 2027 to illustrate the difference between the expected premium under the tort and Care-First systems. The 2025 Annual Review, which underlies the analysis presented in this report, is the basis of the required premium.

We estimate industry-weighted average premiums under Care-First, assuming the percentage of vehicles purchasing optional coverages remains unchanged.

⁴ <https://www.cbc.ca/news/canada/edmonton/auto-insurance-companies-keep-leaving-alberta-here-s-why-1.7261145> (accessed 23 January 2026)

⁵ This is the latest period for which GISA industry data is available.

Table 5: PPV Premium Comparison

Coverage	January 1, 2025, to June 30, 2025: Tort Product Average Written Premium	January 1, 2025, to June 30, 2025: Tort Product Average Required Premium†	Policy Year 2027: Tort Product Average Required Premium	Policy Year 2027: Care-First Average Required Premium
Third Party Liability	\$1,035	\$1,353	\$1,856	\$420
Health Levy	28	42	58	58
Accident Benefits*	141	192	221	562
Collision	411	449	467	467
Comprehensive	359	407	520	520
Underinsured Motorist	28	11	11	1
Industry Weighted Average‡*	1,848	2,270	2,945	1,838
Full Coverage*	2,001	2,454	3,134	2,028

Table Notes

* Includes the net effect of loss transfer.

† Assumes an average accident date of October 1, 2025, for policies written between January 1, 2025, and June 30, 2025.

‡ Industry weighted reflects take-up rates on optional coverages, and includes insureds' purchases of specified perils/all perils in place of comprehensive and collision.

We observe that our estimate of required full coverage premiums under Care-First (\$2,028) is not materially different from the average written premium for the period from January 1, 2025, to June 30, 2025 (\$2,001). However, this small difference is not indicative of the significant benefits of Care-First, as it does not recognize the following:

- There is a current rate level deficiency resulting in market instability. The required premium (\$2,454) is much higher than the average written premium for the period from January 1, 2025, to June 30, 2025 (\$2,001).
- Government actions notwithstanding, we expect increases in claims costs due to inflation over the 2¼ years⁶ between the midpoints of the first half of 2025 and the 2027 policy year.

In Figure 2 and Figure 3, we summarize the change from current street premiums to projected premiums under Care-First. We project that rate changes from the current level to policy year 2027 levels would offset increases in claims costs and expenses, but not address the current rate inadequacy.

⁶ Measured from the midpoint of the first half of 2025 (i.e., April 1, 2025) to the midpoint of policy year 2027 (i.e., July 1, 2027)

Figure 2: Projected Changes – Injury Coverages (Bodily Injury and Accident Benefits)

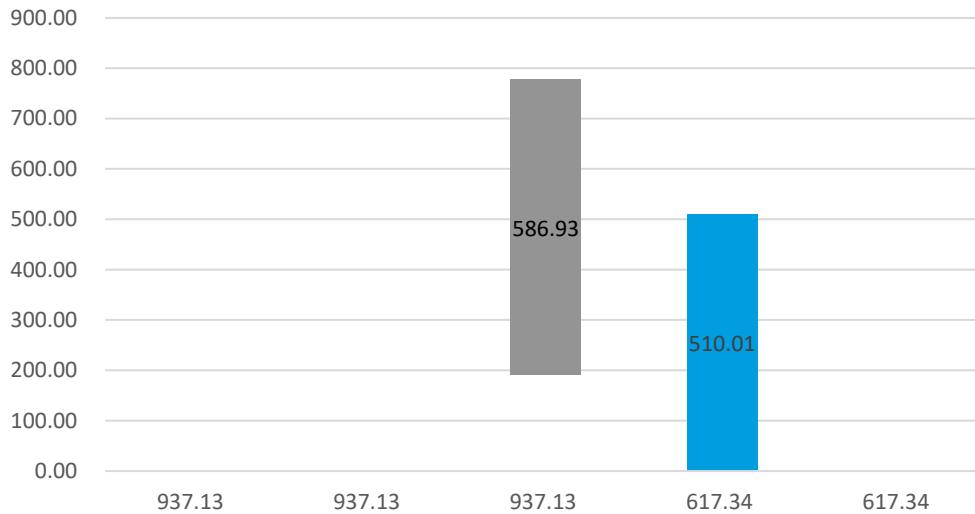
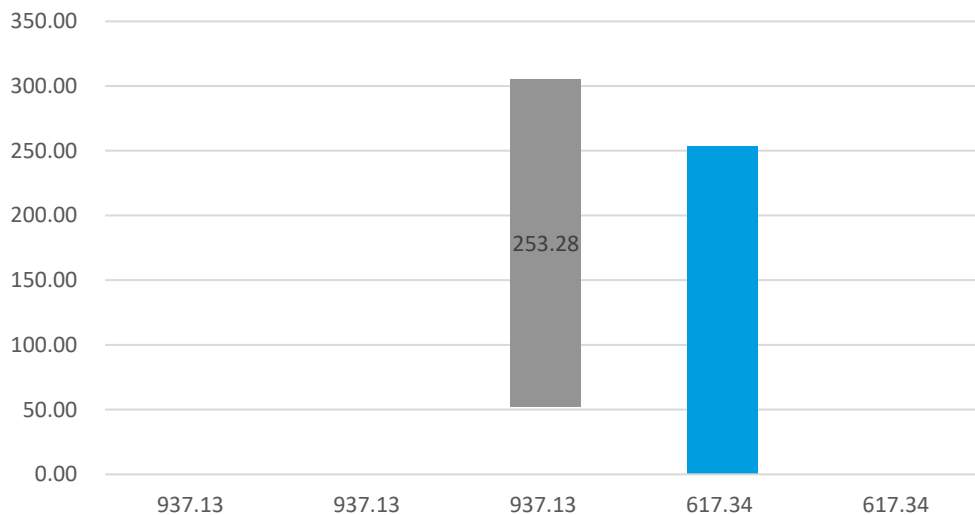


Figure 3: Projected Changes – Damage Coverages (PD/DPCD, Collision, and Comprehensive)



In Table 6, we summarize economic savings that result from the introduction of Care-First. There are two sources of savings that result from Care-First.

- Elimination of rate inadequacies – Although this does not represent a direct cost savings to Albertans, we expect that the continuation of significant rate inadequacies was an untenable situation for insurers in Alberta. Eventually, either Albertans’ premiums would have needed to increase to offset those inadequacies, or more insurers would have withdrawn from the market. As noted in Section 1.4, use of assumptions from our 2026 Semi-Annual Review would reduce the magnitude of this benefit. Specifically, Table 5 reflects the analysis from our 2026 Semi-Annual Review and indicates a lower rate inadequacy than Figure 2, which is based on our 2025 Annual Review.

- Premium savings – We project that the implementation of Care-First will result in significant premium savings related to injury coverages. For physical damage coverages, allowing insurers to achieve rate adequacy will increase premiums.

Table 6: Summary of Industry Average* Care-First Economic Savings (Additional Costs)

Savings	Injury Coverages (AB, BI, & Loss Transfer)	Damage Coverages (PD/DCPD, CL, and CM)	Other (Health Levy and SEF 44)	Total
Rate Inadequacy	586.93	253.28	(8.19)	832.03
Premium	510.01	(253.28)	2.14	258.87
Total	1,096.95	0.00	(6.04)	1,090.90

Table Note

* Industry average premiums reflect take-up rates on optional coverages.

In Table 7, we present our estimates of the direct premium savings resulting from Care-First implementation.

Table 7: Summary of Care-First Premium Savings (Additional Costs) – Private Passenger Vehicles

	Basic	Full Coverage	Industry Average
January 1, 2025, to June 30, 2025: Average Written Premium	1,203.64	2,000.98	1,848.41
Projected Policy Year 2027 Current Product Street Premium	1,406.14	2,258.65	2,096.50
Projected Care-First Required Premiums	1,040.04	2,027.64	1,837.62
Projected Direct Premium Savings	366.10	231.01	258.87

We expect direct premiums for injury coverages to be approximately \$500. This will be offset by increases as insurers recover rate inadequacies for damage coverages. As a result, we project total realized premium savings of approximately \$259. This saving estimate is the difference between projected **2027** premiums under the current tort system and Care-First. Savings relative to an insured's 2026 premium will differ, and individual insureds will experience different levels of savings based on their risk characteristics and renewal timing.

We also expect that more predictable premiums following the introduction of Care-First will result in market stability, as insurers will be rate adequate. Although premium increases on the physical damage coverages will erode some of the savings from reduced bodily injury and accident benefits costs, this will help achieve the goal of market stability following Care-First.

In Table 8 and Table 9, we present our estimate for the expected premium savings for commercial vehicles and motorcycles. We expect direct premium savings for commercial vehicles to be approximately \$337, and we expect direct premium increases of approximately \$367 for motorcycles. The increase to motorcycle premiums is largely a result of:

- Current rate inadequacy for motorcycle premiums, and
- A significant increase to motorcycle accident benefits costs under Care-First.

Table 8: Summary of Care-First Premium Savings (Additional Costs) – Commercial Vehicles

	Basic	Full Coverage	Industry Average
January 1, 2025, to June 30, 2025: Average Written Premium	960.88	2,067.04	1,856.39
Projected Policy Year 2027 Current Product Street Premium	1,087.45	2,251.18	2,032.24
Projected Care-First Required Premiums	901.36	1,900.99	1,695.10
Projected Direct Premium Savings	186.09	350.19	337.14

Table 9: Summary of Care-First Premium Savings (Additional Costs) – Motorcycles

	Basic	Full Coverage	Industry Average
July 1, 2024, to December 31, 2024: Average Written Premium ⁷	182.84	545.20	400.94
Projected Policy Year 2027 Current Product Street Premium	225.53	619.50	464.66
Projected Care-First Required Premiums	698.54	920.24	831.18
Projected Direct Premium Savings	(473.02)	(300.73)	(366.52)

⁷ The GISA Exhibit AUTO7503 Exhibit for 2025 was not available at the time of this report. Therefore, we use the AUTO7003 report to estimate written premiums as of December 31, 2024.

3. Care-First Benefits

Care-First benefits are similar to those provided under MPI policies. In the sections below, we compare coverages offered by Care-First, the current Alberta (tort) system, and MPI. Benefit levels in the tables below reflect the amounts included in the “Intentions Paper”⁸ issued in August 2025, which provides details on the Care-First program. Care-First also ensures benefit levels for Albertans remain adequate and relevant by indexing certain benefit limits to the escalator established annually by the Alberta Personal Income Tax Act. As a result, benefit levels at the inception of Care-First are likely to be slightly higher than those included in the tables below.

Table 10 to Table 13 summarize Care-First benefits for Health Care and Treatment-Related Expenses, Death Benefit and Related Expenses, Permanent Impairment Treatment-Related Expenses, Death Benefit and Related Expenses, Permanent Benefits, and Income Replacement Benefits, respectively. As with the current product, Care-First will continue to provide coverage for injuries from accidents involving an uninsured driver.

Table 14 summarizes the elimination of pain and suffering (general) damages.

⁸ <https://open.alberta.ca/publications/care-first-auto-insurance>, accessed 21 January 2026

3.1. Health Care and Treatment-Related Expenses

Table 10: Medical and Rehabilitation Benefit Comparison

	Care-First ⁹	Current Alberta (Tort) ¹⁰	Manitoba (MPI) ¹¹
Priority of Payment	[I]nsurer is, in the first instance, liable for the payment or reimbursement of an expense under this Division, unless the insured is entitled to payment or reimbursement of the expense under the <i>Alberta Health Care Insurance Act</i> or another Act, in which case the insurer is liable only for the portion of the expense not paid or reimbursed under that Act or the other Act.	The insurer is not liable for those portions of expenses payable or recoverable under any medical, surgical, dental or hospitalization plan or law ...	Reasonable and necessary expenses not covered by another universal government health plan.
Common Injury	Treatment is provided for as long as there is a “measurable benefit.”	Minor injuries subject to DTPR are limited in the number of treatments without prior insurer approval: <ul style="list-style-type: none"> • For a 1st or 2nd degree strain/sprain, not more than a combined total of 10 medical, physical therapy, chiropractic, and adjunct therapy visits for treatment; • For a 3rd degree strain/sprain, a combined total of 21 medical, physical therapy, chiropractic, and adjunct therapy visits for treatment. 	Unlimited for all eligible medical and rehabilitation expenses

⁹ Per <https://www.alberta.ca/automobile-insurance-reform>, accessed 11 August 2025

¹⁰ Per Owner’s Automobile Policy, S.P.F. No. 1, approved by Alberta’s Superintendent of Insurance effective January 1, 2022 (<https://open.alberta.ca/dataset/2df20e09-0659-474b-a97a-058a81fd1b7c/resource/f01cfb6b-2550-4ddc-af8b-56e58bccd5ba/download/tbf-insurance-spf1-standard-automobile-policy-2022-01.pdf>, accessed 11 August 2025)

¹¹ Manitoba Public Insurance (MPI) - 2026 General Rate Application (https://apps.mpi.mb.ca/Rate-Application/2026/GRA/2026_GRA.pdf, accessed 11 August 2025)

	Care-First⁹	Current Alberta (Tort)¹⁰	Manitoba (MPI)¹¹
Serious Injury	No maximum or time limit for treatment that provides a measurable benefit.	Up to \$50,000 for 2 years, subject to sublimits for chiropractic, massage, and acupuncture. Additional treatments require legal action against the at-fault driver.	Unlimited for all eligible medical and rehabilitation expenses
Catastrophic Injury	No maximum or time limit for treatment that provides a measurable benefit. Ancillary supports for the rest of their life.	Up to \$50,000 for 2 years, subject to sublimits for chiropractic, massage, and acupuncture. Additional treatments require legal action against the at-fault driver.	Enhanced coverage for catastrophically injured claimants includes: <ul style="list-style-type: none"> • Extraordinary expenses related to travel and accommodation • Attendant care to engage in employment • Adaptation of primary and secondary residences • Adaptation of more than one motor vehicle • Purchase of adapted motor vehicle for catastrophically injured claimant (no more than once every 5 years, up to \$55,458 per acquisition)

3.2. Death Benefits and Related Expenses

Table 11: Death Benefits and Related Expenses Comparison

Benefit/Coverage	Care-First ¹²	Current Alberta (Tort) ¹⁰	Manitoba (MPI) ¹¹ 2025 Coverage Limits
Funeral	Up to a maximum of \$10,308 per deceased person	\$6,150	Up to a maximum of \$10,308 per deceased person
Death	<ul style="list-style-type: none"> Spouse: \$75,623 to \$600,000 based on the victim's gross annual income. Dependent: \$35,919 to \$66,170 based on the age of the dependent. If there is no spouse, that benefit amount is distributed to the dependents Non-Dependent Parent or Child: \$16,840 each Disabled dependent: \$33,085 	<ul style="list-style-type: none"> Head of household: \$10,000 + (20% for each survivor other than the first) + (\$15,000 if spouse is living in the household + \$4,000 for each remaining survivor) Spouse: \$10,000 Dependent relative: \$1,000 - \$3,000 	<ul style="list-style-type: none"> Spouse: \$75,623 to \$600,000 based on the victim's age and income Dependent: \$35,919 to \$66,170 based on the dependent's age Non-Dependent Parent or Child: \$16,840 each Disabled Dependent: Additional sum of \$33,085
Grief Counseling	\$4,310 maximum per eligible survivor	\$500 per family	<ul style="list-style-type: none"> \$4,310 maximum per eligible survivor Travel, accommodations, and meals to obtain grief counseling

¹² Per Care-First Auto Insurance Intentions Paper (<https://open.alberta.ca/dataset/05d7b6b1-ed14-40f6-8044-87f050b521b1/resource/a89fb33a-e4d2-4118-a982-2ee2cf465ac6/download/tbf-care-first-auto-insurance-2025-08.pdf>, accessed 11 August 2025)

3.3. Permanent Impairment Benefits

Table 12: Permanent Impairment Benefit Comparison

Benefit/Coverage	Care-First¹²	Current Alberta (Tort)¹³	Manitoba (MPI)¹¹
Permanent Impairment	A lump-sum between \$944 and \$189,055 for non-catastrophic injuries. A lump sum of \$298,520 for catastrophic injuries.	No benefit; can only access through pain and suffering damages in the tort system.	A lump-sum between \$944 and \$189,055 for non-catastrophic injuries. A lump sum of \$298,520 for catastrophic injuries. Benefits are not payable if the victim dies within 89 days of the accident.

¹³ Per Care-First Auto Insurance Intentions Paper (<https://open.alberta.ca/dataset/05d7b6b1-ed14-40f6-8044-87f050b521b1/resource/a89fb33a-e4d2-4118-a982-2ee2cf465ac6/download/tbf-care-first-auto-insurance-2025-08.pdf>, accessed 11 August 2025)

3.4. Income Replacement Benefit

Table 13: Income Replacement Benefits Comparison

Claimant Category	Care-First¹²	Current Alberta (Tort)¹⁰	Manitoba (MPI)¹¹
Earners	90% of net income up to a maximum annual gross income of \$125,000, until the insured returns to work.	80% of the average gross weekly earnings, less any payments from an employer disability income plan, up to a maximum of \$600 per week. Limited to a maximum of 2 years	90% of net income earned, computed on a yearly basis. Net income is based on gross yearly employment income up to a maximum yearly insurable earnings of \$120,000, indexed annually.
Non-Earner	<p>Non-earner income replacement benefits provided for:</p> <ul style="list-style-type: none"> • Minors • Students • Caregivers • Others that were deprived of the opportunity for employment <p>Benefits vary by category.</p>	Limited to \$200 per week	May be entitled to caregiver weekly indemnity during the first 180 days. After 180 days, the benefit may change to a benefit based on full-time determined employment, or continue as a caregiver benefit.
Retirement	<p>Individuals receiving income replacement benefits before age 65 are entitled to 70% of their net income, less any pension income or disability benefits.</p> <p>For those 65 at the time of the accident, not entitled to benefits unless reasonable expectation of employment</p>	Entitled to non-earner benefit	70% of net income last used to calculate the IRI benefit, less any net pension income. Benefit payable for life and indexed annually.

Claimant Category	Care-First¹²	Current Alberta (Tort)¹⁰	Manitoba (MPI)¹¹
Students	<p>Entitled to a fixed lump-sum indemnity for each school year not completed.</p> <ul style="list-style-type: none"> Kindergarten to Grade 8 – \$6,427 (maximum) Grade 9 to Grade 12 – \$11,910 (maximum) Post-Secondary - \$23,824 (maximum) 	Entitled to non-earner benefit	<p>Entitled to a fixed lump-sum indemnity for each school year or term not completed.</p> <ul style="list-style-type: none"> Elementary – \$6,427 Secondary – \$11,910 per school year Post-Secondary - \$11,910 per term <p>If unable to resume studies AND hold employment at the end of the school year, entitled to an IRI based on the Industrial Average Wage for as long as unable to hold employment.</p>
Caregiver	<ul style="list-style-type: none"> 1 dependent: \$547 weekly 2 dependents: \$606 weekly 3 dependents: \$664 weekly 4 or more dependents: \$719 weekly 	Entitled to non-earner benefit	<ul style="list-style-type: none"> 1 dependent: \$547 weekly 2 dependents: \$606 weekly 3 dependents: \$664 weekly 4 or more dependents: \$719 weekly
Childcare Expense Reimbursement	<ul style="list-style-type: none"> 1 person: \$143 (weekly) 2 people: \$188 (weekly) 3 people: \$237 (weekly) 4 or more people: \$283 (weekly) 	Entitled to non-earner benefit	<p>For expenses incurred for the purpose of caring for a child under 16 or adults unable to hold employment</p> <ul style="list-style-type: none"> 1 person: \$143 (weekly) 2 people: \$188 (weekly) 3 people: \$237 (weekly) 4 or more people: \$283 (weekly)
Family Enterprise	Maximum \$944 weekly for the first 180 days after the accident	Entitled to non-earner benefit	Maximum \$944 weekly for the first 180 days after the accident

3.5. Compensation for Pain and Suffering (General Damages)

Table 14: Comparison of General Damages

Benefit/Coverage	Care-First⁹	Current Alberta (Tort)	Manitoba (MPI)¹¹
Common Injury	No compensation for pain and suffering	Maximum of \$6,182 (effective January 1, 2025, and subject to annual adjustment ¹⁴) for pain and suffering damages.	No compensation for pain and suffering
Serious Injury	No compensation for pain and suffering	Pain and suffering damages, as determined by the courts	No compensation for pain and suffering
Catastrophic Injury	No compensation for pain and suffering	Pain and suffering damages may be awarded up to a maximum of \$475,000 (adjusted annually for inflation), as determined by the courts	No compensation for pain and suffering

¹⁴ Escalator established annually in the *Alberta Personal Income Tax Act*.

4. Tort

4.1. Tort Exposure

Under the current tort product in Alberta, bodily injury costs comprise a large share of total costs in the system. Care-First eliminates the individuals' need to sue in many circumstances, thereby dramatically reducing bodily injury costs. However, there are circumstances in which an insured may still be sued, so Care-First does not eliminate the need for bodily injury coverage.

Section 16(1) of the Exclusions and Tort Bar Exceptions Regulation states,

If, under section 6(1) of the Act, an insurer offers a motor vehicle liability policy that provides an insured with compensation in amounts in excess of those prescribed for the purposes of Part 2 of the Act and the insured declines the excess coverage, the insured has no right of action under section 81 of the Act and is barred from commencing or maintaining proceedings under that section in respect of the benefits for which the insured declined the excess coverage

Therefore, if an insurer offers additional coverage in excess of the Care-First limits and the insured declines that coverage, they would be ineligible to sue for any out-of-pocket expenses for those coverages they declined. However, we understand that if an insurer did not offer top-up coverage to an insured, they would still be eligible to sue for out-of-pocket expenses in excess of the Care-First limits.

The draft tort bar regulations present three situations where an insured may be subject to tort claims:

- Accidents involving a criminal conviction
- Accidents with an out-of-province driver
- Out-of-pocket expenses in excess of Care-First limits

Criminal Conviction Loss Cost

We do not include bodily injury claim costs for accidents involving a criminal conviction. Section 80(1) of Bill 47 states,

Subject to this section and the regulations, a person sustaining bodily injury caused by an accident has a right of action and may commence or maintain proceedings in respect of that bodily injury against the following:

(a) a person whose use or operation of an automobile caused the bodily injury and results in the person's conviction under

- (i) one or more Criminal Code (Canada) offences prescribed for the purposes of this section,
- (ii) one or more Traffic Safety Act offences prescribed for the purposes of this section, or
- (iii) one or more prescribed offences under a prescribed Act;

(b) a person whose use or operation of an automobile caused the bodily injury and results in the person being found guilty under the Youth Criminal Justice Act (Canada) of one or more Criminal Code (Canada) offences referred to in clause (a)(i);

(c) a third party described in subsection (2) if the acts or omissions of the third party caused or contributed to the bodily injury;

(d) a person in a prescribed class of persons.

However, Section 14 of the Exclusions and Tort Bar Exceptions Regulation states,

An insurer shall not defend or indemnify a person referred to in section 80(1)(a), (b) and (d) of the Act in respect of liability imposed on the person by law or be liable for any legal expenses or disbursements or any other costs in respect of an action or proceeding commenced against the person under section 80(1) of the Act.

Bill 47 allows individuals to sue another at-fault driver who is convicted under the Criminal Code or certain Traffic Safety Act offences. However, the Exclusions and Tort Bar Exceptions Regulation states that the insurer of the at-fault driver is not required to defend their insured.

So, although the injured driver is eligible to sue, there are no bodily injury costs for the automobile insurer under these circumstances.

Out-of-Province Loss Cost

Alberta is transitioning to a care-based insurance system; however, other jurisdictions in Canada and the United States have a tort-based compensation system. If an Alberta driver is driving outside Alberta and is involved in an accident, that driver may be subject to a tort action by the other driver. Bodily injury coverage under Care-First would cover that exposure.

Excess Out-of-Pocket Expenses Loss Cost

Section 81(1) of Bill 47 states,

Subject to this section and the regulations, a person sustaining bodily injury or death in an accident has a right of action and may commence or maintain proceedings respecting that bodily injury or death to recover damages for the following pecuniary losses:

(a) loss of earnings in excess of the maximum amount prescribed for the purposes of calculating an income replacement benefit, only if

(i) the person receives or is entitled to receive an income replacement benefit under Part 2, and

(ii) at the time of the accident the person was earning, as determined under the regulations, income in excess of the maximum amount;

(b) any loss for a reasonably incurred expense in relation to health care services, equipment, medication, supplies and other services under section 10 in excess of the maximum amount that may be paid or reimbursed for that expense;

- (c) any loss for a reasonably incurred expense in relation to activities and measures under section 11 in excess of the maximum amount that may be paid or reimbursed for that expense;
- (d) any loss reasonably incurred in relation to transportation, lodging and other associated prescribed expenses referred to in section 12 in excess of the maximum amount that may be paid or reimbursed for that expense;
- (e) any loss for a reasonably incurred daily living assistance expense referred to in section 13 in excess of the maximum amount that may be paid or reimbursed for that expense;
- (f) any loss for a reasonably incurred expense for the cost of care of another person referred to in section 14 in excess of the maximum amount that may be paid or reimbursed for that expense;
- (g) any loss reasonably incurred to hire another person for a family enterprise referred to in section 15 in excess of the maximum amount that may be paid or reimbursed;
- (h) any loss for a reasonably incurred expense under section 16 in excess of the maximum amount that may be paid or reimbursed for that expense;
- (i) if the person dies as a result of the accident, any loss in respect of reasonably incurred funeral and interment expenses referred to in section 43 in excess of the maximum amount that may be paid or reimbursed for that expense;
- (j) a prescribed pecuniary loss.

We have reviewed the sections mentioned in this section of Bill 47, and have identified the following benefits as possible areas of tort exposure for insurers:

- Earner income replacement benefit for individuals with an income in excess of the Care-First limits
- Daily living assistance expenses/personal care assistance for individuals who require attendant care that costs more than the Care-First limits
- Expenses related to family enterprise/family business expense if a family cannot hire a replacement for the Care-First limit
- Funeral and interment expenses for funerals that cost more than the Care-First limit
- Grief counselling expenses for cases where total grief counseling costs for an individual exceed the Care-First limit

We present our analysis of the loss costs associated with each of these exposures in Section 7.

In Appendix D, we provide a table discussing our view of tort exposure by benefit. Our analysis considers the following:

- For various benefits (e.g., expenses for care of other person, medical equipment/supplies, etc.), the Care-First provides for reasonable and necessary costs without reference to a maximum limit. However, Section 81(1) of Bill 47 provides the right to sue for amounts in excess of the maximum.

We understand that if there is no established maximum sub-threshold, there is no option for tort. That is only benefits subject to a sublimit create tort exposure.

- The Tribunal will hear disputes over entitlement and quantum. We assume that this process will be effective in significantly reducing potential tort exposure.

4.2. Other Tort Considerations

Minimum Limits

Insureds are currently required to purchase a minimum limit for bodily injury claims of \$200,000. We understand that Government is considering increasing this required minimum limit.

We don't expect this increase to have a significant impact. The majority of customers currently purchase higher limits. The GISA 2024 data indicate that approximately 45% of policies have a \$2 million limit, and the remaining 55% have a \$1 million limit. We expect that very few brokers sell policies with limits below \$1 million.

Comparison to Tort Access in Manitoba

In Manitoba, drivers cannot sue the liable party under bodily injury coverage. The Care-First benefits resemble Manitoba's; however, Alberta's increased ability to sue means more bodily injury costs will remain in the system.

In Table 15, we summarize the access to tort between the different systems.

Table 15: Tort Comparison

	Care-First	Current Alberta (Tort)	Manitoba (MPI)¹⁵
Right to Sue	<p>Injured drivers will still be able to sue if:</p> <ul style="list-style-type: none"> The at-fault driver causes an accident and is convicted of a driver or murder related offence under the <i>Criminal Code</i> or has been convicted of impaired driving or failed to stop for a peace officer under the <i>Traffic Safety Act</i>, individuals will be able to sue the at-fault driver for pain and suffering damages. Out-of-pocket expenses exceed the benefit limits in the Care-First system. 	Subject to a cap on non-pecuniary damages.	No claim against the liable party for bodily injury
Out of Province	Protects against a claim for an accident outside of Alberta but within Canada and the United States	Protects against a claim for an accident outside of Alberta but within Canada and the United States	Protects against a claim for an accident outside of Manitoba but within Canada and the United States

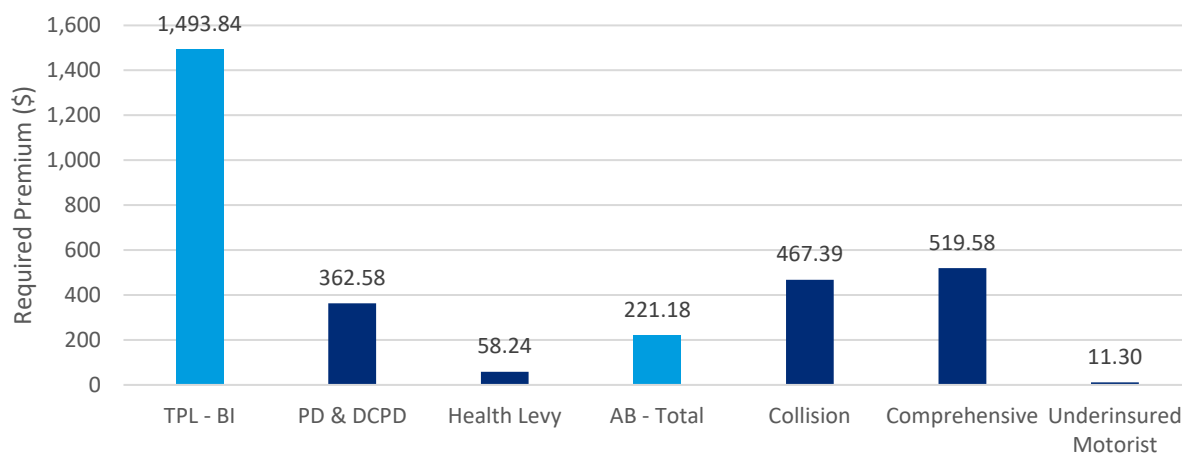
¹⁵ Manitoba Public Insurance (MPI) - 2026 General Rate Application (https://apps.mpi.mb.ca/Rate-Application/2026/GRA/2026_GRA.pdf, accessed 11 August 2025)

5. Methodology Overview

5.1. Estimated Required Average Premium: Current Product

The required average full coverage private passenger vehicle premium is \$3,134. In Figure 4, we present the estimated required premium for each coverage under the current Alberta tort system. We note Care-First will affect required premiums for bodily injury and accident benefits. There is no effect on required premiums for other coverages.

Figure 4: Current Product, Estimated Required Average Premium



We calculate the estimated required average premium for private passenger vehicles in Alberta under the current model based on the benchmarks included in the *Annual Review of Industry Experience as of December 31, 2024, Report* (Annual Review Report) as the sum of claim costs, non-claim expenses, and profit.

Claim Costs

We develop our claim cost estimates using the following modelling process:

- Experience Period:** We estimate ultimate claim costs and claim-related expenses for each of the ten accident years from 2015 to 2024, based on industry-aggregated experience as of December 31, 2024. We selected estimates of ultimate frequency, severity, and loss costs based on the average of projections for 2020 to 2024.¹⁶
- Trend:** We calculate the required provision for claims costs for each coverage for policies incepting between January 1, 2027, and December 31, 2027. Those policies will expire between January 1, 2028, and December 31, 2028. As a result, the average accident date for those policies is January 1, 2028, and we trend claim costs to that average accident date. We project the claims experience to January 1, 2028, using the benchmark loss trend rates in the 2025 Annual Review Report.

¹⁶ As the introduction of DCDP occurred in 2022, we apply equal weight to accident years 2022 to 2024.

- **COVID-19:** We unwind the impact of COVID-19 on claim costs using the factors presented in the 2025 Annual Review Report.
- **Combined New Normal Factors:** We apply factors to reflect differences in frequency between the pre- and post-pandemic periods, driven by both the Bill 41 reform and changes in commuting and driving patterns.
- **Unallocated Loss Adjustment Expenses:** We include an allowance for unallocated loss adjustment expenses (ULAE) based on the factors provided by the General Insurance Statistical Agency (GISA).
- **Health Levy:** We include an estimate of the Health Levy claim cost provision of \$39 per vehicle, based on our review of historical earned premiums and health levy rates.
- **Discounting:** AIRB filing guidelines indicate that the return on investment assumption should be consistent with recent experience. The 5-year industry-average return on investment is a pre-tax annual rate of 3.7%. Our estimates assume an annual return on investment of 3.0% to recognize that insurers may elect a less volatile investment portfolio in consideration of the uncertainty in Care-First loss costs and to include a prudent level of conservatism.

Non-Claim Expenses

We estimate non-claims expense provisions using an industry-average expense ratio of 27.2%¹⁷ based on the average of GISA's reported expense data for 2020 to 2022.¹⁸ We note the IFRS-17 expense ratios for 2023 and 2024 are lower than those under IFRS-4. Using the IFRS-4 expense ratios includes some conservatism, and considers variations in expense ratios for distribution channels used by insurers operating in Alberta. We assume reported expenses are net of payment plan fee revenue. We include a 0.9% provision for delays in the receipt of premiums.

Profit

We include a 6% provision for underwriting profit based on the AIRB's approved target profit benchmark for automobile insurers operating in the province.

5.2. Estimated Required Average Premium: Care-First

We also estimate required average premiums under Care-First as the sum of claim costs, non-claim expenses, and profit. As noted, there will be no difference as a result of the introduction of Care-First in estimated claims costs for coverages other than accident benefits and bodily injury. We also do not adjust the calculation of non-claim expenses or profit.

¹⁷ We assume a 4% premium tax rate, and a 3-year (2020-2022) average for all other general expenses (10.1%) and commissions (13.1%) based on data reported to GISA. We assume general expenses are split 50/50 between variable and fixed. Assigning some portion of general expenses as fixed (across coverages) results in those drivers with only mandatory coverages paying less in fixed expenses per vehicle than those with full coverage.

¹⁸ For 2022 and prior, insurers reported under IFRS 4. For 2023 and 2024, insurers reported under IFRS 17. We elected to use IFRS 4 data to support our expense provision as it provides consistent long-term measure of expenses.

We provide an overview of the approach to developing claims costs for accident benefits and bodily injury below:

- **Expected Accident Benefit Claim Cost:** We develop estimates of claim costs using the Alberta industry-aggregated ultimate frequency and MPI ultimate severity for accident benefits, by subcoverage, as our starting point. We then apply adjustment factors to account for differences between the current Alberta (frequency) and Manitoba (severity) systems and the Care-First system, as well as economic and demographic differences between Alberta and Manitoba.
- **Expected Bodily Injury Claims Costs:** We develop estimates of the various sources of liability described in Section 3.5 using the following approaches:
 - Excess Income Replacement: Care-First provides income-replacement benefits for earners and non-earners.
 - For non-earners, this amount is a fixed lump-sum payment that varies by non-earner classification. Therefore, there is no basis for “excess” expenses that could result in a tort claim.
 - Earners are entitled to up to 90% of their net weekly income, subject to reductions from collateral sources (for example, employer disability plans), up to a maximum annual gross income of \$125,000.

We include claim costs for potential bodily injury claims from the injured individuals earning greater than \$125,000 gross annual income.

- Family Enterprise: Care-First includes income replacement for a claimant who was working in a family enterprise without pay but was injured in an automobile-related accident, necessitating the family business to hire a replacement. We include an estimate of loss costs when this expense exceeds the Care-First limit.
- Excess Personal Care Assistance: Personal care assistance provides amounts for an injured driver to hire help should the injuries sustained in an automobile accident limit the injured party’s ability to perform daily personal tasks. A monthly coverage limit of \$6,781 (\$5,671 for non-catastrophic injuries) for the cost of attendant care may be insufficient in some circumstances.

We include an estimate of the excess loss cost, based on injury types in the historical claims data presented in the 2025 MPI GRA, and assume that any claim requiring more than 8 hours of care per day would require 24-hour care.

- Excess Funeral and Grief Counseling Benefits: The Care-First funeral benefit limit is \$10,308. We include claim costs for out-of-pocket funeral expenses in excess of this limit based on Alberta funeral costs we reviewed from various sources.

In addition to funeral benefits, there are also death benefits paid to the spouse and/or dependants of the deceased, as well as amounts for grief counseling. Spousal and dependant death benefits are prescribed lump-sum payments, which would not result in excess out-of-pocket expenses. However, there may be a need for grief counseling services beyond the amounts included under Care-First.

We include the estimated excess grief counseling in our estimate of bodily injury loss costs.

- **Unallocated Loss Adjustment Expenses** The current Alberta ULAE factor is not representative of the future ULAE, given the significant changes under Care-First. We believe the MPI ULAE factor is a more reasonable estimate given the similarities in the benefits provided by Manitoba and Alberta’s Care-First systems. We note that the ULAE ratio in Alberta for 2015 through 2024, excluding the pandemic-affected 2020 and 2021 years, averaged 10%. The MPI ULAE ratios are approximately 30% higher than the historical Alberta ratios. We considered this difference in assessing the reasonableness of our assumption.

Based on these assumptions, we calculate the required average private passenger premium for each coverage at an average accident date of January 1, 2028. The required average full-coverage private passenger vehicle premium is \$2,028.

In Figure 5, we present the required premiums for each coverage under Care-First.

Figure 5: Care-First Estimated Required Average Premium

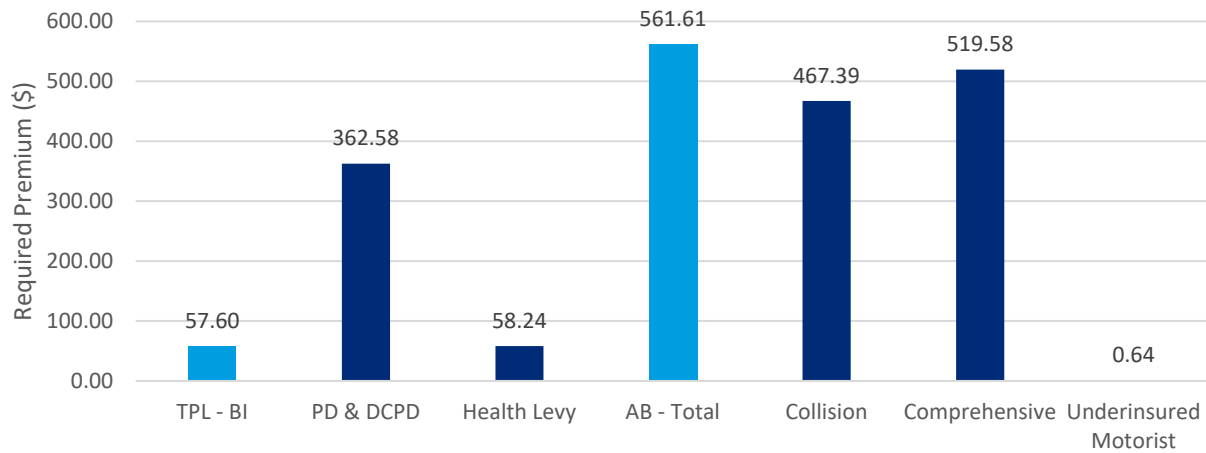


Figure Note

Net effect of loss transfer included with AB – Total.

6. Accident Benefits Claim Cost Modeling

Care-First will significantly change the benefits Albertans receive after an automobile accident. As a result, the current accident benefits data in GISA Exhibit AUTO 7001 will not be entirely applicable to price the claim costs under Care-First.

We estimate claims costs under Care-First using a frequency-severity approach.

- We do not expect the underlying accident frequency to differ due to the insurance benefit structure. Therefore, the current frequency in Alberta is a reasonable starting point to estimate the frequency under Care-First. However, we expect there may be some changes to claimant behaviour due to the change in benefit structure. For example, given that the benefits under Care-First are more generous, a policyholder who did not file a claim for certain benefits under the tort system may file a claim under Care-First. Our methodology for estimating the frequency under Care-First is to use the current Alberta frequency as a starting point and apply adjustments to account for expected changes in policyholder behaviour.
- The current Alberta severity, however, is not a reasonable starting point for our analysis because the benefits offered under Care-First are significantly different than those under the current product. As the Care-First benefits are similar to the benefits in Manitoba, we use those severities as a starting point. We then apply adjustment factors to these severities to account for differences in the insurance environments in Alberta and Manitoba.

We discuss our methodology to estimate the Care-First frequency in Section 6.1 and the Care-First severity in Section 6.2.

6.1. Accident Benefits Frequency

In Section 5.1, we discuss our methodology for estimating the required average premium under the current tort product. We use the frequency from this analysis as the starting point for the Care-First frequency estimate.

Claimant/Claim Adjustment Factor

MPI presents severity values on a per-claimant basis. Current Alberta GISA frequency data is on a per-claim basis. We include a claimant/claim adjustment factor to address this mismatch. We consider adjustments based on the following:

- Effective May 1, 2021, British Columbia transitioned from a tort to a care-based model, similar to Alberta's transition. In the ICBC 2021 Revenue Requirements Application (RRA), Ernst & Young LLP/Canada (EY) performed an analysis for ICBC to estimate the costs for the Enhanced Accident Benefits product. In this analysis, EY calculated a claimant/claim factor to apply to the ICBC (tort) frequency data. We use the claimant-to-claim ratios from this analysis.

Additional Claims Adjustment Factor

Under the current tort system, we expect every bodily injury claim to have a corresponding accident benefits claim. If someone is injured and sues the other driver for damages, we would expect them also to collect

accident benefits from their own insurer. However, in our review of the 2019 Alberta Closed Claim Study, we found instances in which an individual filed a bodily injury claim but did not file an accident benefits claim.

Under Care-First, there is a significant reduction in tort access, so these individuals will very likely not be eligible to file a bodily injury claim. However, since they presumably sustained injuries, this should result in an accident benefits claim under Care-First. Therefore, the current frequency under the tort product understates the frequency under Care-First, as it does not include bodily injury-only claims that would result in an accident benefits claim under Care-First.

Tort-Based to Care-Based System Adjustment Factor

Other provinces previously transitioned from a tort system to a care-based system. The changes that occurred in those provinces following their transition to a care-based system provide a basis for estimating changes that may occur in Alberta. One of these changes is regarding claimant behavior. We describe these changes for each Care-First benefit below.

Health Care and Treatment-Related Benefits

For health care and treatment-related expenses, Care-First does not prescribe any limits or restrictions on treatments and will provide for all reasonable and necessary expenses until the insured achieves maximum medical recovery. While the benefits are more generous, the ability to receive medical treatment is already available under the current system, so we do not expect an increase in frequency due to the more generous benefits. Conversely, insureds may have filed some accident benefit claims to support their bodily injury claims.

We reviewed (i) the MPI frequency compared to the Alberta frequency¹⁹ and (ii) the ICBC frequency before and after the transition to a care-based model. The data show that transitioning from a tort-based system to a care-based model reduces frequency as the focus shifts from monetary compensation to care and recovery. This outcome is also consistent with a finding in a report prepared for Saskatchewan related to whiplash-associated disorders.

Income Replacement Benefits

The benefits under Care-First introduce classes of claimants who are eligible for income replacement benefits but are not eligible under the current tort product. This class expansion will lead to a higher frequency.

Additionally, the Care-First benefits are more generous than those currently offered under the tort product. For example, under the current product, disability income is limited to \$600 per week, well below Care-First benefits, which are calculated as 90% of net income with a gross income cap of \$125,000. Therefore, we expect some insureds under the current system may have decided not to go through the trouble of filing an insurance claim if the benefit they receive is small. However, with more generous benefits, insureds may now decide to file claims, leading to a higher frequency.

As the British Columbia transition was recent and very similar to the transition to Care-First in Alberta, we use the change in frequency from their tort product to the enhanced accident benefits product to support our adjustment of the current disability income frequency to the estimated frequency under Care-First.

¹⁹ We reviewed both raw frequencies and frequencies adjusted for collision rates.

Funeral and Death Benefits

We do not expect the frequency of death benefits and related expenses to differ under Care-First. Although the benefits are more generous under Care-First, we expect that everyone who would be eligible for death benefits and associated expenses under Care-First would have filed a claim under the tort product.

6.2. Accident Benefits Severity

The Care-First benefit limits are very similar to limits in Manitoba. Therefore, we use MPI severity as a starting point for severity in Alberta under Care-First. We use the MPI trend models in the 2026 General Rate Application (GRA) to estimate the severity at a January 1, 2028, cost level. We also apply an adjustment for future indexation to the Accident Benefits – Other (Indexed) and Weekly Indemnity severities. We then apply adjustments for the following differences between the provinces.

Second Payer Adjustment Factor

For Weekly Indemnity, MPI is the first payer, meaning an insured will collect benefits from MPI for loss of income before collecting from an employer disability income plan. In Alberta, insurers are the second payer to employer disability plans. In the draft Care-First Income Replacement and Monetary Benefits Regulation, Section 4 (1) states,

For the purposes of section 77(3) of the Act and subject to subsections (4) and (5), an insurer is not liable to pay an income replacement benefit to an insured under Part 2, Division 3 of the Act if the insured is entitled to other compensation for the bodily injury similar to the income replacement benefit, except to the extent that the amount of the income replacement benefit exceeds the amount of the other compensation.

That is, automobile insurers will remain second payers for income replacement benefits under Care-First, as they are under the current tort product. Given the second payer status in Alberta, we expect the severity to be lower than MPI severity due to the coordination of benefits under private or employer disability plans.

For health care and treatment-related expenses, the automobile policy is the first payer for automobile-related injuries in both provinces, so we do not apply a priority-of-payment adjustment.

For death benefits and permanent impairment, the fatal/serious accident triggers a lump sum benefit, irrespective of collateral benefit sources.

All-Vehicle Class Adjustment Factor

In the 2026 GRA, MPI presents severities reflecting all vehicle classes. We expect differences in severity between vehicle classes and considered including an adjustment factor to reflect these differences. Our analysis indicated that PPV *loss costs* are lower than the overall all-vehicle-class loss costs. We recognize that loss cost is a function of *frequency and severity* but find it to be a reasonable indicator to review when comparing the severity of different classes. Because the PPV class comprises approximately 90% of the total MPI written premium, we do not apply an adjustment to the estimated all-class severity for all accident benefits subcoverages.

Economic (Wage and Benefit Limit) Differences Adjustment Factor

For income replacement, we adjust for economic differences between Manitoba and Alberta. Our adjustment factor considers the following differences between the two provinces: wage/income distribution of the population, differences in provincial taxation, distribution of the population across different income replacement claimant groups, and the associated benefits (earner, caregiver, student, minor, loss of studies, etc.). We develop our adjustment factor using demographic and economic data published by Statistics Canada.

Since health care and treatment-related expenses, death benefits and related expenses, and permanent impairment benefits do not vary by income or economic conditions, we do not expect the severity to differ significantly.

Return-to-Work Adjustment Factor

The employers, industries, and job types available in Manitoba and Alberta vary. For the same injury, an injured individual may require an extended recovery period to return to a more physically demanding, labour-intensive role. That is, at the same level of recovery from an injury, some jobs may be performed adequately while others would require further recovery before one could return to work. This delay in returning to work results in greater severity as insurers will pay income replacement benefits over a longer period. We based our adjustment for this difference on the worker's compensation data for each province. This adjustment implicitly assumes that the severity differential between workplace and automobile accidents is similar. The adjustment factor captures longer return to work times reflecting both (i) the higher physical demands of jobs in Alberta, and (ii) higher injury severities from occupational injuries. We consider the latter factor to be a proxy for differences in vehicle distribution between the provinces.

We do not apply a return-to-work adjustment for health care and treatment-related expenses, death benefits, or permanent impairment.

- Under Care-First, health care and treatment-related expenses are unlimited until the insured achieves maximum medical recovery. So, whether an insured can return to work does not affect the benefits provided.
- Return-to-work considerations do not affect claims involving death benefits.
- Permanent impairment benefits are paid as a lump sum.

Health Care Cost Adjustment Factor

We include an adjustment to the health care and treatment-related expenses severity to account for differences in health care costs and treatment fees between Manitoba and Alberta. We based this adjustment on average health care spending in each province and on a survey of fee schedules from various extended health care providers.

Vehicle Distribution Adjustment Factor

We base our vehicle distribution adjustment on the vehicle registration data in Manitoba and Alberta, and the average severity presented in the Large Vehicle Study included in the MPI 2023 GRA.

As suggested in the Large Vehicle Study, we expect that accidents involving larger (heavier) vehicles will result in more severe injuries.

We do not expect differences in vehicle size or distribution between Manitoba and Alberta to affect death benefits.

We recognize that vehicle size and distribution can affect the severity of income replacement benefits. However, we concluded that the return-to-work adjustment captures this difference.

Death Benefit Wage Distribution Adjustment Factor

The Care-First death benefit subcoverage includes some entitlements for surviving family members tied to the deceased's income. We estimate this adjustment using (i) household demographic data and income data from Statistics Canada, and (ii) vehicle collision and casualties data from Transport Canada. The adjustment accounts for the proportion of death benefit payments tied to income and the income differences between the Manitoba and Alberta populations.

Personal Injury Protection Plan (PIPP) Enhancement Adjustment Factor

The automobile insurance product in Manitoba offers a lower basic limit, with the option to increase coverage limits. MPI refers to the increased limits as the Personal Injury Protection Plan (PIPP) Enhancement. Under Care-First, Alberta has opted to match the increased accident benefits limits. We include an adjustment for the increased costs. We based this adjustment on the relative claim cost differences between the basic and PIPP-enhanced coverages in the MPI 2026 GRA.

Other Adjustments and Considerations

Health Care Wait Times Adjustment

While the cost of health care and treatments directly affects automobile insurers' loss experience obligations, another factor to consider is the delay in receiving care. We expect that delays in receiving care will increase the effort and treatment required to achieve maximum recovery. In severe cases, a lengthy delay in receiving care may prevent an injured party from fully recovering and returning to their pre-injury condition.

The Canadian Institute for Health Information conducted a study on health care wait times by province for various procedures. This study suggests that health care wait times in Alberta are equal to those in Manitoba and, for some procedures, even lower.

Based on this study, we concluded that no adjustment for wait time was necessary.

Unallocated Loss Adjustment Expense

Care-First marks a substantial shift in the approach and policy for automobile insurance in Alberta. We expect the unallocated loss adjustment expense (ULAE) to change with the transition to Care-First. While the ULAE for each insurer can vary, so too can the impact of Care-First on an individual insurer's ULAE. Given the similarities between the Manitoba system and Care-First, we find it reasonable to assume that the MPI ULAE factor is representative of the expected overall industry ULAE factor in Alberta under Care-First.

7. Bodily Injury, Underinsured Motorist and Top-up Claim Cost Modeling

7.1. Bodily Injury

When evaluating the potential for tort arising from out-of-pocket expenses exceeding the Care-First benefit limits, we considered data from various sources to estimate loss costs for each exposure. As presented in Section 5, we have identified the following benefits as possible areas of tort exposure for insurers:

- Claims involving an out-of-province driver that would allow the other driver to sue
- Earner income replacement benefit for individuals with an income in excess of the Care-First limits
- Daily living assistance expenses/personal care assistance for individuals who require attendant care that costs more than the Care-First limits
- Expenses related to family enterprise/family business expense if a family cannot hire a replacement for the Care-First limit
- Funeral and internment expenses for funerals that cost more than the Care-First limit
- Grief counselling expenses for cases where total grief counseling costs for an individual exceed the Care-First limit

For all excess benefits except earner income replacement, we conservatively assume all individuals are eligible to sue given the minimal indicated loss costs and lack of good information on expected top-up offerings by benefit.

Out-of-Province Claims

Although Care-First eliminates tort eligibility in most instances in Alberta, provinces and jurisdictions outside of Alberta still have a tort-based compensation system. If an Albertan driver is in an accident with a driver from another province, the other driver may decide to sue, creating bodily injury exposure. Using data from GISA Exhibit AUTO7001, we estimate the percentage of bodily injuries losses associated with out-of-province claims. We apply this percentage to our estimate of bodily injury claims under the tort product to estimate the loss cost associated with these out-of-province claims.

Earner Income Replacement

Care-First income replacement benefits are calculated as a percentage of net income, with a gross income cap of \$125,000. Therefore, individuals earning more than \$125,000 would be eligible to sue. This introduces potential bodily injury costs, as insurers are required to defend their insureds in such situations.

However, insurers may offer top-up coverage for incomes greater than the Care-First income cap. Individuals may purchase a higher limit sufficient to cover their income, thereby removing bodily injury costs. Additionally, eligibility to sue is removed for individuals who were offered top-up coverage but declined. As more insurers

offer top-up coverage, bodily injury costs will decrease, excess out-of-pocket costs will decline, and accident benefits premiums will increase due to additional top-up premiums.

Based on a Superintendent's Survey of twelve insurers, eleven insurers initially indicated they planned on offering top-up coverage for income replacement. However, following the initial results, the twelfth insurer indicated they also plan on offering top-up coverage for income replacement. We note these twelve insurers represent approximately 95% market share. We use this survey to develop assumptions to estimate tort exposure under Care-First, however, we note that actual exposure will depend on insurer offerings.

To estimate bodily injury costs, we estimate the income distribution above the Care-First limit using an exponential decay model for income. We estimate the excess benefits for this group of individuals by calculating benefits as 90% of net income without a gross income cap. We use this excess severity and the percentage of individuals earning more than the Care-First limit to estimate the excess loss costs for these individuals. Finally, we incorporate the Superintendent survey to only include costs for individuals who are not offered top-up coverage.

Personal Care Assistance

Care-First provides reimbursement for individuals injured who require personal assistance to assist with activities of daily living. However, this benefit is limited to \$5,671 per month for non-catastrophic injuries and \$6,781 per month for catastrophic injuries. We reviewed meeting notes from the fourth session, thirty-fifth legislature of the Legislative Assembly of Manitoba Standing Committee on Economic Development, and note the following concern for the proposed attendant care limit in Manitoba,

You may recall that Mr. John Lane, I believe, head of a disability organization, pointed out that in terms of personal assistance, expenses of \$3,000 a month may not go very far, particularly if the person is a quadriplegic or has had a very serious accident and has heavy disabilities. He, I believe, suggested that \$3,000 was too constraining, so we are responding to that suggestion.

We understand the concern is that for serious injuries requiring 24-hour care, the attendant care limit may not be sufficient. We estimate bodily injury costs for personal care assistance, assuming that the current benefit limit provides coverage for 8 hours per day and that serious injuries require 24-hour care (i.e., three times as much coverage as the limit provides).

To estimate the frequency of claims that require 24-hour care, we assume 25% of health care and related expenses claimants require personal care assistance. We conservatively selected 25% based on our professional judgment. In the 2026 MPI GRA, MPI presents a table of injury type claim counts from 2014/15 to 2024/25. Using this table, we assume amputation, quadriplegic, and paraplegic injuries would require 24-hour care. These injuries approximately 0.041% of all injuries over this time period.

To estimate the excess severity for these claims, we use our assumption that the current benefit provides for 8 hours per day. We use a 3.0 relativity to calculate the total severity and subtract benefits covered by Care-First to estimate the per-month excess severity. We then assume this amount is paid over an average of 120 months based on actuarial judgment. We selected this assumption to be conservative and tested the sensitivity around this assumption.

Funeral & Grief Counseling

Care-First provides reimbursement for funerals up to a maximum of \$10,308. Based on a review of funeral costs from various sources, we conservatively estimate that 40% of funerals will exceed the Care-First limit, and that the average total cost of these funerals is \$17,500.

Similarly, Care-First provides a maximum of \$4,310 per person for grief counseling costs. We conservatively select that 10% of claimants will have grief counseling costs greater than this limit, and the average total cost for these claimants is \$5,000.

Family Enterprise

For situations where an individual is working in a family business without pay, and the business needs to hire a replacement, Care-First will provide compensation for this expense. The benefit for this coverage is \$944 per week for 180 days. We note three scenarios that would create excess out-of-pocket costs and lead to bodily injury exposure:

- Require assistance for fewer than 180 days, but at a cost that exceeds \$944 per week
- Require assistance for more than 180 days, but at a cost that is less than \$944 per week
- Require assistance for more than 180 days, at a cost that exceeds \$944 per week

We estimate Care-First will cover costs in 80% of claims, and we estimate the three situations above occur at equal rates. We conservatively estimate that for situations where the hired help will cost more than \$944 per week, the average total cost per week is \$1,500. We select this based on the industrial average wage of \$1,369. For situations where help is hired for more than 180 days, we estimate that assistance is required for one year. We estimate the excess severity in each scenario to estimate the average excess severity.

To estimate the frequency of family enterprise claimants, we reviewed population data to estimate the percentage of the population who may work for a family business at no cost. We conservatively estimate that approximately 7.5% of income replacement and other monetary benefits claims involve family enterprise claims.

Summary

In Table 16, we present a summary of the estimated bodily injury loss costs by source. We select a bodily injury loss cost of \$35 to add conservatism for any uncertainty in our assumptions. We also include a 20% frictional cost factor to recognize differences in settlement costs for a bodily injury claim relative to an accident benefits claim. This results in a total loss cost of \$42.

Table 16: Summary of Bodily Injury Loss Costs

Basis of Tort Claim	Loss Cost per Vehicle
Out of Province Claims	20.37
Excess Disability Income	3.94
Excess Out-of-Pocket Expenses for Personal Care Assistance	1.89
Excess Out-of-Pocket Expenses for Funerals	0.36

Basis of Tort Claim	Loss Cost per Vehicle
Excess Out-of-Pocket Expenses for Grief Counseling Limits	0.01
Excess of Care-First Family Enterprise Limits	1.13
Total Bodily Injury Loss Cost	27.69
Selected Bodily Injury Loss Cost	35.00
Selected Bodily Injury Loss Cost, including frictional cost	42.00

7.2. SEF 44 – Family Protection Endorsement (Underinsured Motorist)

This coverage, while separate from bodily injury, is closely tied to the bodily injury coverage as it provides protection against financial shortfalls due to the at-fault driver’s liability coverage being insufficient to provide full compensation by allowing the insured to claim up to their own liability limit. With the introduction of Care-First, the avenues for tort are much more limited, with only specific scenarios where an insured can pursue tort against the at-fault driver. Given the generous Care-First benefits for recovery, we expect those claims related to an underinsured driver to be limited to out-of-province accidents. We assume that out-of-province underinsured motorist claims occur at a similar rate as out-of-province bodily injury claims. We estimate the SEF-44 loss cost by applying an out-of-province rate to the current product loss costs.

7.3. Top-Up Coverage

As mentioned in Section 4.1, top-up coverages offered by insurers will reduce industry tort exposure. By offering top-up coverages to increase Care-First limits for certain benefits, insurers will collect the costs associated with the coverage excess of Care-First limits through additional premiums. Moreover, insureds who are offered top-up coverage and decline it²⁰ lose their ability to pursue a tort claim.

We base our estimates of top-up coverage loss costs on the proposed draft excess Care-First coverage endorsement benefits, limits and amounts. The benefits are grouped by Division: Division 2 covers healthcare and related expenses; Division 3 covers income replacement and other monetary benefits; and Division 5 covers death benefits and related expenses. We note the following assumptions regarding the mechanics of the draft endorsement included in our analysis:

- Division 2 and Division 5 are offered together and cannot be offered separately.
- Division 3 can be offered separately from or bundled with Division 2 and 5.
- If an insurer chooses to offer top-up for Division 3, they must offer limits that increase the maximum yearly insurable income by \$50,000, \$100,000, and \$200,000. Insurers may also choose to offer an amount greater than \$200,000.

²⁰ We assume that insurers can document coverage declination. We view claims that result from inadequate documentation to represent an operational risk, rather than loss cost.

- If an insurer chooses to offer top-up for Division 2 and Division 5, they must offer an additional \$100,000 for non-catastrophic injuries and an additional \$250,000 for catastrophic injuries. The additional limit applies to any one or combination of the benefits in Divisions 2 and 5. These benefits include daily living assistance expenses, transportation, lodging, and other expenses, expenses for care of the person, expenses respecting family enterprise, and funeral and interment expenses.

The distinction between top-up coverages and excess of limit tort claims is the assignment to coverage, with top-up coverages contributing to accident benefits and excess out-of-pocket tort claims contributing to bodily injury. As the draft excess Care-First coverage endorsement and our excess out-of-pocket analysis were completed independently, our bodily injury estimates consider the loss exposures in the top-up coverage, although they are presented differently. We align our bodily injury loss cost estimates with the endorsement wording.

Division 3

For income replacement, we conservatively assume the retirement income benefit is equal to the earner benefit and, therefore, included in our estimate of earner income replacement. As discussed in Section 1.3, it is unclear how insurers will sell top-up coverage. If insurers bundle Division 3 top-up coverage with Division 2 and 5, the loss cost would decrease due to the cost sharing amongst a larger pool of insureds as well as the cross-subsidization from bundle pricing.

Division 2 and 5

We expect the excess out-of-pocket costs on top-ups to be less than the unlimited excess out-of-pocket costs for bodily injury, given the combined single limit applicable to all benefits. Conservatively, we select top-up costs equivalent to the excess out-of-pocket tort claims for Division 2 and 5 benefits, except for expenses respecting family enterprise.

We also note that bodily injury costs would decrease as top-up coverage offerings and take-up rates increase, shifting those losses to accident benefits, or eliminating them when top-up coverage is declined by the insured.

For daily living assistance, transportation, expenses for care of the person and funeral-related expenses, we conservatively assume all individuals are eligible to sue.

Informed Choice

For income replacement and family enterprise top-ups, we apply an informed choice model. That is, we assume that only individuals with incomes exceeding Care-First limits purchase higher income replacement limits, and only individuals involved in a family business with replacement labour cost that will likely exceed Care-First limits will purchase a top-up for that benefit.

Our analysis includes a sensitivity test for family enterprise to determine a range of reasonable loss costs with the take-up rate of the informed choice and an assumed 100% take-up rate representing the upper and lower bounds, respectively, of our loss cost estimates. Our loss cost selection considers this range as well as the impact of consumer purchasing behaviours, as the pricing of the endorsement may play a significant role in the take-up rate for the endorsement. We present this sensitivity test in Table 17.

Table 17: Family Enterprise Top-Up Sensitivity Test

Take-Up Rate	Family Enterprise Top-Up Loss Cost	Family Enterprise Top-Up Required Premium
1.50%	67.59	83.99
5%	20.36	25.30
10%	10.24	12.72
15%	6.86	8.53
20%	5.18	6.43
25%	4.16	5.17
30%	3.49	4.33
35%	3.01	3.74
40%	2.64	3.29
45%	2.36	2.94
50%	2.14	2.66
55%	1.95	2.43
60%	1.80	2.24
65%	1.67	2.08
70%	1.56	1.94
75%	1.46	1.82
80%	1.38	1.71
85%	1.31	1.62
90%	1.24	1.54
95%	1.18	1.47
100%	1.13	1.40

In Table 18, we present the top-up loss costs by Division, benefit and proposed draft top-up limit.

We also include additional costing related to higher limits of income replacement above the additional \$200,000 to provide guidance to insurers regarding excess out-of-pocket costs beyond the benefits presented in the draft endorsement.

Table 18: Top-Up Loss Costs

Division	Benefits	Limits and Amounts	Top-Up Loss Cost
3	Income Replacement Benefit (including Retirement Income Benefit)	Additional \$50,000	244.83
		Additional \$100,000	437.15
		Additional \$200,000	682.61
		Additional \$300,000	1,001.07
		Additional \$400,000	1,325.64
2	Daily Living Assistance Expense		
	Expenses For Care of the Person	Additional \$100,000 (non-catastrophic injuries)	
	Transportation, Lodging, Other Expenses	Additional \$250,000 (catastrophic injuries)	
	Family Enterprise*		
5	Funeral and Interment Expenses		
2 & 5	Total		6.41

Table Notes

* Reflects 25% take-up rate.

8. Other Classes

We base our estimates of Care-First required premiums for other vehicle classes on the private passenger vehicle methodology and adjustments described in Section 5, Section 6, and Section 7. We perform a separate review of adjustments to determine whether the private passenger vehicle adjustments are appropriate or if an alternate estimate of each adjustment is required for each of the other classes.

In Section 8.1 we discuss the specific considerations for the commercial vehicle and motorcycle classes separately, and in Section 8.2 we discuss the estimates for the other miscellaneous vehicle classes.

8.1. Commercial Vehicles and Motorcycles

In Table 19, we present the adjustment factors for commercial vehicles and motorcycles and identify whether the adjustment should differ by class, indicated by “Yes,” or if the private passenger vehicle adjustment should be adopted.

Table 19: Adjustment Factors for Commercial Vehicles and Motorcycles

Adjustments	Commercial Vehicles	Motorcycles
<i>Frequency Adjustments</i>		
Claimant/Claim Adjustment	Same as PPV*	Yes
Additional Claims Adjustment	Same as PPV	Same as PPV
Tort-Based to Care-First Adjustment	Yes	Same as PPV
<i>Severity Adjustments</i>		
All-Vehicle Class to Other Class Adjustment	Yes	Yes
Second Payer Adjustment	Yes	Yes
Economic (Wage Distribution & Benefit Limit) Adjustment	Yes	Yes
Return to Work Adjustment (MB to AB)	Same as PPV	Same as PPV
Health Care Cost Adjustment (MB to AB)	Same as PPV	Same as PPV
Health Care Wait Times Adjustment (MB to AB)	Same as PPV	Same as PPV
Vehicle Distribution Adjustment (MB to AB)	Same as PPV	Same as PPV
Death Benefit Wage Distribution Adjustment (MB to AB)	Same as PPV	Yes
PIPP Enhancement Adjustment	Same as PPV	Same as PPV
Unallocated Loss Adjustment Expense	Yes	Yes

Table Notes

* This assumption may have immaterial differences that are difficult to quantify. Not including those differences results in conservatism as described below.

8.1.1. Commercial Vehicles

Bodily Injury

Income Replacement Adjustment

Bodily injury claims for excess income replacement may be higher than private passenger vehicles. Commercial vehicles are likely the larger and heavier vehicle in a collision, leading to more severe injuries to the third party involved in the collision. More severe injuries could lead to longer recovery and return to work times resulting in a longer duration of income replacement benefit payments. In situations where the commercial vehicle is at fault, and the third party retains the right to sue the at-fault driver, this may result in additional losses beyond the private passenger vehicle estimate.

We include an adjustment to the excess income replacement to account for this potential increase in severity. We base this adjustment on the Large Vehicle Study referenced in Section 6.2. We recognize that this adjustment reflects differences in injury severity. However, we view this as a reasonable proxy, considering the materiality of the indicated premiums.

Accident Benefits

Claimant/Claim Adjustment Factor

We generally expect fewer occupants in commercial vehicles than in private passenger vehicles. Therefore, using the PPV claimant/claim adjustment factor introduces a slight conservative bias.

All-Vehicle Class Adjustment Factor

We develop this adjustment using incurred amounts and incurred claims counts from the IR1 responses in the 2024 MPI GRA to compare the commercial vehicle severity by subcoverage to the all-class severity. The MPI GRA indicates commercial vehicle accident benefits loss costs are greater than the all-class average. We select a relativity of 2.5 for health care and related expenses, 2.0 for income replacement & other monetary benefits, 1.5 for death benefits and related expenses, and 1.5 for permanent impairment to apply to the all-class average severity.

Tort to Care-First Adjustment

The PPV factor considers both the more generous benefits under Care-First and the expense of classes eligible for the benefit. For the CV adjustment, we only consider the former source of difference between the tort product and Care-First.

Second Payer Adjustment Factor

We developed our second-payer adjustment for private passenger vehicles considering the benefits offered by employer group disability plans. We expect that most individuals injured while occupying a commercial vehicle will also have access to workers compensation coverage, which has more generous benefits than employer group disability.

We adjust the following assumptions that differ from our private passenger vehicle analysis:

- Percentage of individuals who have an employer disability income plan
- Percentage of employed individuals

As workers compensation is required for almost all employers, we assume most individuals driving a commercial vehicle have either an employer disability income plan, workers compensation coverage, or both. Therefore, we select a higher percentage for this assumption. We also assume 100% of individuals driving a commercial vehicle are employed.

We did not adjust our assumption for the percentage of net income covered by long term disability. We understand the workers compensation benefits cover 90% of net income up to a net income cap of 110,900 for 2026, which is more generous than the Care-First benefits. Therefore, we find that using the assumption that employer plans cover 60% of net income introduces a slight conservative bias.

Economic (Wage and Benefit Limit) Differences Adjustment Factor

The adjustment factor for private passenger vehicles considers all possible claimant groups for income replacement, specifically earners, caregivers, students, and minors. However, this adjustment for commercial vehicles should only consider the earner class. Therefore, we use the estimated adjustment factor for only the earner class from our private passenger vehicle analysis, rather than the overall claimant group adjustment factor.

8.1.2. Motorcycles

Claimant/Claim Adjustment Factor

We reviewed the 2023 Alberta Traffic Collision Statistics Report and compared the ratio of casualties to number of motorcycles involved in the accident to estimate the adjustment for death benefits and permanent impairment.

For health care and related expenses and income replacement, we perform a similar analysis using the number of major injuries to the number of motorcycles involved to determine the adjustment factor.

We note both of these statistics may include injuries or casualties from another vehicle class, as the statistics include all injured parties for accidents involving a motorcycle. However, given that motorcycles are much lighter than other vehicles, we assume most of the injuries included in these statistics are the motorcycle occupants.

All-Vehicle Class Adjustment Factor

We develop this adjustment using incurred amounts and incurred claims counts from the IR1 responses in the 2024 MPI GRA to compare the motorcycle severity by subcoverage to the all-class severity. The MPI GRA indicates motorcycle accident benefits loss costs are greater than the all-class average. We select a relativity of 3.0 for health care and related expenses, 1.5 for income replacement & other monetary benefits, 1.0 for death benefits and related expenses, and 3.0 for permanent impairment to apply to the all-class average severity.

Economic (Wage and Benefit Limit) Differences Adjustment Factor

The economic differences adjustment factor recognizes differences in income between Manitoba and Alberta that would lead to a higher severity for benefits tied to income. The private passenger vehicle adjustment compares differences between total populations, however, that distribution is not necessarily representative of the motorcyclist population. This alone does not necessitate a change to the PPV adjustment, as this is likely also true in Manitoba. However, in the event the differences between motorcyclists and the entire population differ between Alberta and Manitoba, the private passenger vehicle adjustment requires additional adjustment. We discuss two primary differences that affect the motorcycle adjustment factor.

- The first difference relates to the age distribution of motorcyclists. After comparing licensed drivers in Alberta, we find the motorcycle age distribution is more concentrated in older ages than the private passenger distribution. As mentioned, this alone does not necessitate an adjustment to the PPV factor. However, we find that the difference between incomes for older age groups in Alberta is greater than in Manitoba. Therefore, the effect of having an older motorcycle population in Alberta leads to a greater difference in incomes between Alberta and Manitoba than the PPV adjustment factor would imply.
- The second difference relates to gender. The Alberta licensed driver data indicates males are much more likely to drive motorcycles than the private passenger vehicle population. For private passenger vehicles, males represent approximately 50% of licenses, whereas for motorcycles, males represent approximately 85% of licenses. In Alberta, the difference between the average income for males and females is greater than that in Manitoba. Therefore, this difference also indicates a greater difference between Alberta and Manitoba than the PPV adjustment factor would imply.

We therefore modify our PPV severity adjustments for these factors.

Second Payer Adjustment Factor

The second payer adjustment accounts for the difference in priority of payment between Manitoba and Alberta. As mentioned in the prior section, the income distribution for motorcyclists differs from that of the entire population. As the income distribution is an input to the second payer adjustment, this difference may warrant a change to the PPV adjustment factor. However, after sensitivity testing income distributions that have a higher concentration of higher income levels, we find that the adjustment factor is not sensitive to this difference. This is largely because our adjustment factor is calculated as a ratio of two calculated benefits, and the higher income affects both the numerator and denominator, so the effect partly cancels out. Therefore, we do not adjust the PPV adjustment factor.

8.2. Miscellaneous Classes

Due to the limited data for these additional coverages, we developed our estimates by applying a credibility-weighted class ratio to the estimated Care-First loss cost of the closest major class. We derive this ratio using average incurred loss costs in each class and the average incurred loss costs of the corresponding base class (private passenger vehicle or commercial vehicle). We credibility weight this ratio with and the corresponding ratio from the MPI GRA. We assess the reasonableness of the result considering the incurred losses of each class and the indicated loss cost.

In Table 20, we present the estimated accident benefits required premium for each class. Based on our analysis of PPV required premiums, we use a loss cost multiplier of 1.10 to adjust loss costs to a premium basis. We also provide a comparison to current street premiums. Consistent with the major classes, accident benefits premiums under Care-First are lower than premiums under the current tort product.

We expect interurban vehicles and trucks other than interurban may continue to have significant out-of-province exposure. The exposure of these risks varies based on the proportional usage of these vehicles in jurisdictions with tort-based automobile insurance. We do not present estimated loss costs and required premiums for these vehicle classes because the savings from Care-First for these classes will depend on the portion of total exposure within Alberta, regardless of the types of vehicles or subclasses being rated.

Table 20: Miscellaneous Classes Accident Benefits Estimated Required Premium

Vehicle Class	Credibility Weighted Loss Cost	Indicated Required Premium*	Current 2024-2 Average Written Premium
All-Terrain Vehicles	42.52	56.31	16.20
PPV Farmers	72.85	96.47	53.18
Snow Vehicles	45.60	60.38	11.51
Motorhomes	50.35	66.67	35.96
Antique and Classic Cars	41.40	54.82	5.39
Taxis – Individually Rated	1,316.52	1,743.30	403.25
Public Buses	1,706.82	2,318.78	752.11
School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	679.52	923.16	319.44
Funeral Carriages and Hearses	683.25	928.23	278.73
Ambulances	674.37	916.16	158.32
Miscellaneous Public Automobiles	1,016.05	1,380.34	342.18

Table Notes

* Includes the cost of the health levy.

In Table 23, we present the estimated bodily injury required premium for each class. Based on our analysis of PPV required premiums, we use a loss cost multiplier of 1.35 to adjust loss costs to a premium basis. We also provide a comparison to current street premiums. Consistent with the major classes, bodily injury premiums under Care-First are lower than under the current tort product.

Table 21: Miscellaneous Classes Bodily Injury Estimated Required Premium

Vehicle Class	Credibility Weighted Loss Cost	Indicated Required Premium	Current 2024-2 Average Written Premium
All-Terrain Vehicles	3.23	4.36	87.75
PPV Farmers	25.56	34.51	317.99
Snow Vehicles	21.00	28.35	0.00
Motorhomes	4.70	6.35	144.28
Antique and Classic Cars	18.67	25.21	15.65
Taxis – Individually Rated	95.62	129.09	1,231.61
Public Buses	98.39	132.83	2,709.46
School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	115.24	155.57	4,230.63

Vehicle Class	Credibility Weighted Loss Cost	Indicated Required Premium	Current 2024-2 Average Written Premium
Funeral Carriages and Hearses	79.18	106.90	1,450.93
Ambulances	75.85	102.39	414.65
Miscellaneous Public Automobiles	75.85	102.40	1,790.85

9. Loss Transfer

Loss transfer mechanisms provide an avenue for accident benefits costs to be more evenly distributed between different vehicle classes. Under Care-First, Alberta may adopt a loss transfer arrangement similar to Ontario's. We estimate loss transfer payments and recoveries for different classes to estimate the impact of loss transfer if approved for Care-First.

9.1. Loss Transfer in Ontario

Loss transfer is used to transfer accident benefits costs between vehicle classes; however, not all costs are eligible to be transferred. In Ontario, no loss transfer is available for the first \$2,000 of no-fault accident benefits. Also, loss transfer only covers indemnity payments, and there is no reimbursement available for loss adjustment expenses.

Additionally, loss transfer is not applicable to every accident that occurs in Ontario. Below, we summarize the two scenarios in which loss transfer is applicable.

For drivers of a motorcycle or motorized snow vehicle, insurers can receive loss transfer recoveries from the other party as long as:

- The other automobile is not a motorcycle, motorized snow vehicle, or off-road vehicle,²¹ and
- The other vehicle involved in the accident is fully or partially at fault.

Insurers are also eligible to receive loss transfer recoveries when their insured driver is in an accident with a heavy commercial vehicle. In Ontario, a heavy commercial vehicle is defined as being over 4,500 kg gross weight and used primarily to transport materials, goods, tools, or equipment. In these situations, the insurer of the non-heavy vehicle is eligible for loss transfer as long as the driver of the heavy commercial vehicle is fully or partially at fault.

The loss transfer mechanism has the following effects on the major vehicle classes:

- Private passenger vehicle loss costs increase due to accidents involving motorcycles where the insurer must reimburse the motorcycle insurer. However, loss costs decrease due to recoveries from accidents with heavy commercial vehicles.
- Commercial vehicle and interurban loss costs increase due to accidents involving heavy commercial vehicles where the insurer must reimburse the other party.²²
- Motorcycle loss costs decrease due to recoveries from the other party.

²¹ We note other miscellaneous vehicle classes may be eligible for loss transfer (e.g. snow vehicles). However, after reviewing the loss transfer amounts for the other vehicle classes, we do not expect these amounts to materially affect our conclusions on loss transfer for the major vehicle classes.

²² We note in the GISA data for commercial vehicles and interurban vehicles, there are small loss transfer recovery amounts. This is likely due to accidents involving light commercial vehicles and heavy commercial vehicles. However, these loss amounts are small compared to the outgoing loss transfer payments, and thus, the aggregate effect of loss transfer is an increase to loss costs for these vehicle classes.

9.2. Loss Transfer Under Care-First

We use the loss transfer experience from Ontario²³ to estimate the impact to the major vehicle classes under Care-First. We note that loss transfer is a reimbursement of benefits received under accident benefits. Therefore, the loss amounts in Ontario are not entirely applicable to Care-First, since the benefits under Care-First differ from accident benefits coverage in Ontario. To account for the differences in benefit structures between Ontario and Care-First, we estimate loss transfer payments and recoveries as a percent of the accident benefits loss cost, excluding loss transfer. We then apply this percentage to the Care-First loss cost to adjust for those differences in coverage.

Additionally, there are certain differences between Ontario and Alberta affecting loss transfer. In our modeling, we adjust for differences in the distribution of vehicle types between Ontario and Alberta.

Private passenger vehicles are eligible for loss transfer only when involved in an accident with a heavy commercial vehicle. Therefore, due to the higher proportion of heavy vehicles in Alberta, we expect the frequency of private passenger vehicle accidents involving loss transfer to increase.

This also has an effect on motorcycles; however, this effect is on severity and not on frequency. Motorcycles are eligible for loss transfer with any vehicle class that is not another motorcycle or motorized snow vehicle. Therefore, the higher proportion of heavy commercial vehicles does not increase the frequency of accidents involving loss transfer for motorcycles, rather, some of the loss transfer associated with private passenger vehicles will be shifted to commercial vehicles. However, we note that the severity of accidents differs by vehicle weight, and accidents involving heavier vehicles typically have a higher severity.²⁴ Therefore, although we do not anticipate a frequency effect on loss transfer for motorcycles, we do expect more accidents involving heavy commercial vehicles instead of private passenger vehicles would lead to a higher severity, and more loss transfer recoveries for motorcycles.

In Table 22, we present the estimated impact of loss transfer for different vehicle classes under Care-First. Our estimates assume the Ontario loss transfer framework. While any changes to the deductible, vehicle weight requirement, etc. could change these amounts, we have selected conservatively based on the information currently available. As mentioned in Section 8.2, we do not provide a Care-First costing for interurban vehicles due to the dependence on out-of-province exposure. As our loss transfer methodology applies a percentage to the estimated Care-First loss cost, we are not able to directly model the impact of loss transfer on the interurban vehicle class. However, we note that loss transfer is, in theory, a zero-sum mechanism. Therefore,

- We calculate the implied payments from interurban vehicles that would balance the total net loss transfer amounts to zero, and
- We evaluate the reasonableness of our individual selections in producing the zero-sum.

We understand insurers intend to treat outgoing loss transfer payments under third-party liability coverage and incoming loss transfer recoveries under accident benefits. FSRA Bulletin No. A-9/92 includes states,

Some insurers incorrectly assume that the reimbursement should be treated as third-party liability by the second-party insurer and that payments should be subject to the limits set out in that policy. In fact, since the reimbursement is for accident benefits, and since it is imposed by law upon the insurer,

²³ As noted in this section, loss transfers should sum to \$0. However, loss transfer amounts in the data do not sum to \$0 in each year, potentially due to timing differences. We considered this data issue in assessing the reasonableness of our modeling.

²⁴ Per the Large Vehicle Study included in Part IX - LP Appendix 1 in the 2023 MPI General Rate Application.

not its policyholder, it is not a third-party liability claim. When reporting loss statistics, the payment should be recorded as no-fault benefits.

Under this interpretation, it appears loss transfer amounts should not be recorded under third-party liability. However, under Care-First, both third-party liability and accident benefits are mandatory coverages, so the overall impact on total premiums will not be affected by this allocation. Therefore, we present estimates of incoming and outgoing loss transfer payments separately to assist any insurer analysis that splits loss transfer payments.

Table 22: Estimated Impact of Loss Transfer on Vehicle Classes

Vehicle Class	Alberta Estimated 2027 Earned Vehicles	Estimated Net Loss Transfer Loss Cost	Estimated Net Loss Transfer Amounts
PPV	3,140,668	(\$4.83)	(\$15,157,452)
CV*	302,622	117.52	35,563,865
MC	181,789	(235.59)	(42,827,511)
IU & ATV			22,421,097

Table Notes

* CV loss transfers represent averages across the entire commercial vehicle class. We note this class includes both light commercial vehicles, which would receive the incoming loss transfer amounts, and heavy commercial vehicles, which would pay the outgoing loss transfer amounts.

10. Results for Private Passenger Vehicles

In Table 23, we present the estimated required premium by coverage, as well as the estimated required premium for mandatory coverages and full coverage. Readers should review Section 2 for a detailed discussion on the interpretation of amounts in Table 23.

Table 23: Care-First Estimated Required PPV Premium by Coverage

Section	Coverage	Subcoverage	Care-First	Current Product	
			PY 2027 Required Premium	PY 2027 Required Premium	PY 2027 Street Premium
A.	Third-Party Liability	Bodily Injury*	57.60	1,552.09	
		Outgoing Loss Transfer	13.24	0.00	
		Property Damage	31.49	31.49	1,237.03
A.1.	Direct Compensation for Property Damage [†]		331.09	331.09	
A.2.	Health Levy		58.24	58.24	
B.	Accident Benefits	Income Replacement & Other Monetary Benefits	289.60		
		Health Care and Related Expenses	201.39		
		Death Benefits and Related Expenses	15.74	221.18	169.11
		Permanent Impairment	55.90		
		Uninsured Motorist	0.23		
		Incoming Loss Transfer	(14.48)		
C.	Loss of or Damage to Insured Automobile	All Perils	1,166.69	1,166.69	976.22
		Collision or Upset	467.39	467.39	433.31
		Comprehensive	519.58	519.58	388.77
		Specified Perils	160.49	160.49	161.99
	SEF 44/Underinsured Motorist		0.64	11.30	30.42
Subtotal Basic Coverage			1,040.04	2,135.84	1,406.14
Full Coverage [†]			2,027.64	3,134.11	2,258.65

Table Notes

[†] Full coverage includes bodily injury, property damage, direct compensation property damage, accident benefits, underinsured motorists, collision, and comprehensive. (All perils or specified perils coverages overlap with comprehensive and collision coverage.)

11. Distribution and Use

- **Usage and Responsibility of Client** – Oliver Wyman prepared this report for the sole use of the AIRB for the stated purpose. This report includes important considerations, assumptions, and limitations and, as a result, is intended to be read and used only as a whole. This report may not be separated into, or distributed, in parts other than by the client to whom this report was issued, as needed, in the case of distribution to such client’s directors, officers, or employees. All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client named herein.
- **Third Party Reliance and Due Diligence** – Oliver Wyman’s consent to any distribution of this report (whether herein or in the written agreement pursuant to which we issued this report) to parties other than of the Government of Alberta does not constitute advice by Oliver Wyman to any such third parties. Any distribution to third parties shall be solely for informational purposes and not for purposes of reliance by any such parties. Oliver Wyman assumes no liability related to third-party use of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein. This report should not replace the due diligence on behalf of any such third party.

12. Considerations and Limitations

- **Data Verification** – For our analysis, we relied on data and information as described herein without independent audit. Though we have reviewed the data for reasonableness and consistency, we have not audited or otherwise verified this data. Our review of data may not always reveal imperfections. We have assumed that the data provided is both accurate and complete. The results of our analysis are dependent on this assumption. If this data or information is inaccurate or incomplete, our findings and conclusions might therefore be unreliable.
- **Supplemental Data** – Where historical insurance industry data was either (i) not available, (ii) not appropriate or (iii) not sufficiently credible to develop our actuarial assumptions, we supplemented it with external information, as we deemed appropriate. Although we believe these external sources may be more predictive of future experience of the client named herein than any other data of which we are aware, the use of external data adds to the uncertainty associated with our projections.
- **Exclusion of Other Program Costs** – The scope of the project does not include the estimation of any costs other than those described herein.
- **Assumption of Valid Reinsurance** – We provide cost estimates on a direct basis.
- **Discounting** – Discounted estimates are subject to additional uncertainty that results from the following:
 - In addition to the risk of underestimating or overestimating the overall amount of the nominal claims and claims adjustment expenses, there is the additional risk that the timing of the future payments will differ from the expected payout.
 - There is the risk the actual future yield on the underlying assets (if any) will differ from the assumed yield rate used for determining present value factors.

We have not included any specific provision for this additional risk.

- **Rounding and Accuracy** – Our models may retain more digits than those displayed. Also, the results of certain calculations may be presented in the exhibits with more or fewer digits than would be considered significant. As a result, there may be rounding differences between the results of calculations presented in the exhibits and replications of those calculations based on displayed underlying amounts. Also, calculation results may not have been adjusted to reflect the precision of the calculation.
- **Unanticipated Changes** – We developed our estimates from the historical claim experience and covered exposure, with adjustments for anticipated changes. Our estimates make no provision for extraordinary future emergence of new types of losses not sufficiently represented in historical databases or which are not yet quantifiable.
- **Internal / External Changes** – The sources of uncertainty affecting our estimates are numerous and include factors internal and external to automobile insurance in Alberta. Internal factors include items such as changes in claim settlement practices. The most significant external influences include, but are not limited to, changes in the legal, social, or regulatory environment surrounding the claims process. Uncontrollable factors such as general economic conditions also contribute to the variability.
- **Uncertainty Inherent in Projections** – While this analysis complies with applicable Actuarial Standards of Practice, users of this analysis should recognize that our projections involve estimates of future events and are subject to economic and statistical variations from expected values. We have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the frequency or

severity of claims. For these reasons, we do not guarantee that the emergence of actual losses will correspond to the projections in this analysis.

- **COVID-19 Pandemic** – We included explicit adjustments in this report for the effect of the COVID-19 pandemic on loss experience only as specifically noted in this report.

Appendix A. Glossary

Accident Period

The period in which the event giving rise to a claim occurred, regardless of when the claim is actually reported.

Actuarial Central Estimate

An estimate that represents an expected value over the range of reasonably possible outcomes. Such range of reasonably possible outcomes may not include all conceivable outcomes.

Allocated Claim Adjustment Expense (ACAE)

Expense costs associated with the handling and settling of an individual claim that can be directly attributed to the particular claim. Fees paid to outside defense attorneys and investigation firms are examples of this expense.

Case Reserves

The unpaid claim estimates established by adjusters on an individual claim basis.

Claim Adjustment Expenses

The costs of administering, determining coverage for, settling, or defending claims. Claim adjustment expenses include allocated claim adjustment expenses and unallocated claim adjustment expenses.

Claim Frequency

The number of claims that occur over a period of time per unit of exposure.

Claim Reporting Pattern

The rate at which claims are assumed to be reported over time.

Claim Severity

The average cost per claim.

Credibility

A measure of the predictive value of a body of data.

Development

The change between valuation dates in the observed values of certain fundamental quantities that may be used in the unpaid claim estimation process.

For example, the number of reported claims associated with events occurring within a particular period will change from one valuation date to the next until all claims have been reported. In a similar fashion, the paid claim amounts for events occurring within a particular period will change from one valuation date to the next until all claims have been reported and closed. The change in the number of reported claims or the change in the paid claim amounts is referred to as development. The concept of development also applies to reported incurred losses.

Estimated Ultimate Claim Costs

The estimated cost of claims during a period. The estimated cost at an accounting date is the sum of paid claim amounts, case reserves, and IBNR.

Event

The incident or activity that triggers potential for claim or allocated claim adjustment expense payment.

Exposure

A measure of the underlying potential for claim costs.

IBNR

The unpaid claim estimate for: (a) events that have occurred for which claims have not been reported as of the accounting date, (b) future development of the case reserves, (c) claims that have been reported but not yet recorded in the loss listing, and (d) claims that have been closed but that will be reopened.

Loss Cost / Claims Cost

The claims amount per exposure unit.

Model Risk

The risk that the methods are not appropriate to the circumstances or the models are not representative of the specified phenomenon.

Paid Claims

The total aggregate dollar amount paid on all reported claims as of a certain date.

Parameter Risk

The risk that the assumptions or parameters used in the methods or models are not representative of future outcomes.

Payment Pattern

The rate at which claims are paid over time.

Process Risk

The uncertainty associated with the projection of future contingencies that are inherently variable, even when the parameters are known with certainty.

Report Date

The date on which the claim is first reported or recorded (in practice it is often taken to be the recorded date).

Report Period

The period in which a claim is reported, regardless of the time period in which the event occurred.

Reported Incurred Claim Amount

The total of paid claim amounts and case reserves.

Risk Margin

An amount that may be added to the claim estimate to recognize the uncertainty in the estimate.

Salvage

Recoveries due to the sale of damaged or recovered property.

Subrogation

Recoveries from a third party responsible for the event for which a claim has already been paid.

Unallocated Claim Adjustment Expense (UCAE)

Claim adjustment expenses that cannot be attributed to an individual claim. Typically includes salaries, utilities, and rent apportioned to the claim adjustment expense function but not readily assignable to specific claims.

Undiscounted Unpaid Claim Estimate

The unpaid claim estimate presented on a basis that does not reflect the time value of money.

Undiscounted Unpaid Loss Estimate

The unpaid loss estimate presented on a basis that does not reflect the time value of money.

Unpaid Claim Estimate

The estimate of the obligation for future payments resulting from claims due to past events.

Valuation Date

The date through which transactions are included in the data used in the unpaid claim estimate analysis.

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Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Bodily Injury
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	16,925	2,652,217	6.381	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	0.747	4.767	0%
2016	16,801	2,678,708	6.272	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	0.747	4.685	0%
2017	17,632	2,692,626	6.548	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	0.747	4.892	0%
2018	17,429	2,747,654	6.343	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	0.747	4.738	0%
2019	17,882	2,782,720	6.426	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	0.747	4.800	0%
2020	11,945	2,780,113	4.297	0.0%	0.0%	10/1/2024	1.000		1.000	1.434	0.747	4.602	20%
2021	12,834	2,806,683	4.573	0.0%	0.0%	10/1/2024	1.000		1.000	1.498	0.747	5.117	20%
2022	13,645	2,840,243	4.804	0.0%	0.0%	10/1/2024	1.000		1.000	1.321	0.747	4.742	20%
2023	13,293	2,907,049	4.573	0.0%	0.0%	10/1/2024	1.000		1.000	1.339	0.747	4.573	20%
2024	14,096	3,003,474	4.693	0.0%	0.0%	10/1/2024	1.000		1.000	1.339	0.747	4.693	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												4.745	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	955,113,443	16,925	56,434	8.7%	8.7%	10/1/2024	2.838	1.344	1.000			215,256	0%
2016	1,036,064,786	16,801	61,668	8.7%	8.7%	10/1/2024	2.611	1.344	1.000			216,397	0%
2017	1,130,530,606	17,632	64,118	8.7%	8.7%	10/1/2024	2.402	1.344	1.000			206,986	0%
2018	1,252,319,043	17,429	71,854	8.7%	8.7%	10/1/2024	2.210	1.344	1.000			213,393	0%
2019	1,425,889,445	17,882	79,740	8.7%	8.7%	10/1/2024	2.033	1.344	1.000			217,859	0%
2020	1,087,144,116	11,945	91,012	8.7%	8.7%	10/1/2024	1.870	1.330	1.000			226,371	20%
2021	1,320,092,720	12,834	102,860	8.7%	8.7%	10/1/2024	1.720	1.336	1.000			236,425	20%
2022	1,739,317,349	13,645	127,466	8.7%	8.7%	10/1/2024	1.583	1.286	1.000			259,346	20%
2023	2,138,126,550	13,293	160,842	8.7%	8.7%	10/1/2024	1.456	1.103	1.000			258,319	20%
2024	2,517,671,311	14,096	178,610	8.7%	8.7%	10/1/2024	1.340	1.000	1.000			239,254	20%
B. Selected Severity at 1/1/2028 Cost Level												243,943	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	955,113,443	2,652,217	360	8.7%	8.7%	10/1/2024	2.838	1.344	1.000	1.000	0.747	1,026	0%
2016	1,036,064,786	2,678,708	387	8.7%	8.7%	10/1/2024	2.611	1.344	1.000	1.000	0.747	1,014	0%
2017	1,130,530,606	2,692,626	420	8.7%	8.7%	10/1/2024	2.402	1.344	1.000	1.000	0.747	1,012	0%
2018	1,252,319,043	2,747,654	456	8.7%	8.7%	10/1/2024	2.210	1.344	1.000	1.000	0.747	1,011	0%
2019	1,425,889,445	2,782,720	512	8.7%	8.7%	10/1/2024	2.033	1.344	1.000	1.000	0.747	1,046	0%
2020	1,087,144,116	2,780,113	391	8.7%	8.7%	10/1/2024	1.870	1.330	1.000	1.434	0.747	1,042	20%
2021	1,320,092,720	2,806,683	470	8.7%	8.7%	10/1/2024	1.720	1.336	1.000	1.498	0.747	1,210	20%
2022	1,739,317,349	2,840,243	612	8.7%	8.7%	10/1/2024	1.583	1.286	1.000	1.321	0.747	1,230	20%
2023	2,138,126,550	2,907,049	735	8.7%	8.7%	10/1/2024	1.456	1.103	1.000	1.339	0.747	1,181	20%
2024	2,517,671,311	3,003,474	838	8.7%	8.7%	10/1/2024	1.340	1.000	1.000	1.339	0.747	1,123	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												1,157	Sum((13) x (14))
D. Frequency x Severity Method												1,158	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												1,157	average(A * B, C)

Notes
(8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Property Damage
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
Oliver Wyman 2025 Annual Review													
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	83,696	2,652,217	31.557	-1.3%	-1.3%	10/1/2024	0.849		1.000	1.000	1.000	26.794	0%
2016	78,914	2,678,708	29.460	-1.3%	-1.3%	10/1/2024	0.860		1.000	1.000	1.000	25.343	0%
2017	82,825	2,692,626	30.760	-1.3%	-1.3%	10/1/2024	0.872		1.000	1.000	1.000	26.810	0%
2018	83,123	2,747,654	30.252	-1.3%	-1.3%	10/1/2024	0.883		1.000	1.000	1.000	26.715	0%
2019	79,822	2,782,720	28.685	-1.3%	-1.3%	10/1/2024	0.895		1.000	1.000	1.000	25.664	0%
2020	53,994	2,780,113	19.422	-1.3%	-1.3%	10/1/2024	0.906		1.000	1.456	1.000	25.633	0%
2021	57,493	2,806,683	20.484	-1.3%	-1.3%	10/1/2024	0.918		1.000	1.462	1.000	27.495	0%
2022	7,999	2,840,243	2.816	-1.3%	-1.3%	10/1/2024	0.931		1.000	1.130	1.000	2.961	33%
2023	5,364	2,907,049	1.845	-1.3%	-1.3%	10/1/2024	0.943		1.000	1.000	1.000	1.740	33%
2024	5,154	3,003,474	1.716	-1.3%	-1.3%	10/1/2024	0.955		1.000	1.000	1.000	1.639	33%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												2.113	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	449,590,981	83,696	5,372	2.9%	2.9%	10/1/2024	1.430	1.218	1.000			9,354	0%
2016	424,222,994	78,914	5,376	2.9%	2.9%	10/1/2024	1.389	1.218	1.000			9,097	0%
2017	467,074,595	82,825	5,639	2.9%	2.9%	10/1/2024	1.350	1.218	1.000			9,274	0%
2018	482,340,592	83,123	5,803	2.9%	2.9%	10/1/2024	1.312	1.218	1.000			9,274	0%
2019	472,100,713	79,822	5,914	2.9%	2.9%	10/1/2024	1.275	1.218	1.000			9,186	0%
2020	321,671,412	53,994	5,958	2.9%	2.9%	10/1/2024	1.239	1.210	1.000			8,930	0%
2021	380,014,591	57,493	6,610	2.9%	2.9%	10/1/2024	1.204	1.214	1.000			9,660	0%
2022	61,142,140	7,999	7,644	2.9%	2.9%	10/1/2024	1.170	1.182	1.000			10,574	33%
2023	45,442,300	5,364	8,471	2.9%	2.9%	10/1/2024	1.137	1.068	1.000			10,286	33%
2024	46,519,007	5,154	9,025	2.9%	2.9%	10/1/2024	1.105	1.000	1.000			9,976	33%
B. Selected Severity at 1/1/2028 Cost Level												10,279	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	449,590,981	2,652,217	170	2%	2%	10/1/2024	1.214	1.218	1.000	1.000	1.000	251	0%
2016	424,222,994	2,678,708	158	2%	2%	10/1/2024	1.195	1.218	1.000	1.000	1.000	231	0%
2017	467,074,595	2,692,626	173	2%	2%	10/1/2024	1.177	1.218	1.000	1.000	1.000	249	0%
2018	482,340,592	2,747,654	176	2%	2%	10/1/2024	1.159	1.218	1.000	1.000	1.000	248	0%
2019	472,100,713	2,782,720	170	2%	2%	10/1/2024	1.141	1.218	1.000	1.000	1.000	236	0%
2020	321,671,412	2,780,113	116	2%	2%	10/1/2024	1.123	1.210	1.000	1.456	1.000	229	0%
2021	380,014,591	2,806,683	135	2%	2%	10/1/2024	1.106	1.214	1.000	1.462	1.000	266	0%
2022	61,142,140	2,840,243	22	2%	2%	10/1/2024	1.089	1.182	1.000	1.130	1.000	31	33%
2023	45,442,300	2,907,049	16	2%	2%	10/1/2024	1.072	1.068	1.000	1.000	1.000	18	33%
2024	46,519,007	3,003,474	15	2%	2%	10/1/2024	1.056	1.000	1.000	1.000	1.000	16	33%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												22	Sum((13) x (14))
D. Frequency x Severity Method												22	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												22	average(A * B, C)

Notes
(8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Direct Compensation
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	0	2,652,217	0.000	-1.3%	-1.3%	10/1/2024	0.849		1.000	1.000	1.000	0.000	0%
2016	0	2,678,708	0.000	-1.3%	-1.3%	10/1/2024	0.860		1.000	1.000	1.000	0.000	0%
2017	0	2,692,626	0.000	-1.3%	-1.3%	10/1/2024	0.872		1.000	1.000	1.000	0.000	0%
2018	0	2,747,654	0.000	-1.3%	-1.3%	10/1/2024	0.883		1.000	1.000	1.000	0.000	0%
2019	0	2,782,720	0.000	-1.3%	-1.3%	10/1/2024	0.895		1.000	1.000	1.000	0.000	0%
2020	0	2,780,113	0.000	-1.3%	-1.3%	10/1/2024	0.906		1.000	1.456	1.000	0.000	0%
2021	0	2,806,683	0.000	-1.3%	-1.3%	10/1/2024	0.918		1.000	1.462	1.000	0.000	0%
2022	64,360	2,840,243	22.660	-1.3%	-1.3%	10/1/2024	0.931		1.000	1.130	1.000	23.826	33%
2023	70,932	2,907,049	24.400	-1.3%	-1.3%	10/1/2024	0.943		1.000	1.000	1.000	23.004	33%
2024	78,709	3,003,474	26.206	-1.3%	-1.3%	10/1/2024	0.955		1.000	1.000	1.000	25.031	33%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												23.954	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	0	0	0	2.9%	2.9%	10/1/2024	1.430	1.218	1.000			0	0%
2016	0	0	0	2.9%	2.9%	10/1/2024	1.389	1.218	1.000			0	0%
2017	0	0	0	2.9%	2.9%	10/1/2024	1.350	1.218	1.000			0	0%
2018	0	0	0	2.9%	2.9%	10/1/2024	1.312	1.218	1.000			0	0%
2019	0	0	0	2.9%	2.9%	10/1/2024	1.275	1.218	1.000			0	0%
2020	0	0	0	2.9%	2.9%	10/1/2024	1.239	1.210	1.000			0	0%
2021	0	0	0	2.9%	2.9%	10/1/2024	1.204	1.214	1.000			0	0%
2022	468,888,965	64,360	7,285	2.9%	2.9%	10/1/2024	1.170	1.182	1.000			10,079	33%
2023	560,420,316	70,932	7,901	2.9%	2.9%	10/1/2024	1.137	1.068	1.000			9,593	33%
2024	643,027,574	78,709	8,170	2.9%	2.9%	10/1/2024	1.105	1.000	1.000			9,030	33%
B. Selected Severity at 1/1/2028 Cost Level												9,567	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	0	2,652,217	0	2%	2%	10/1/2024	1.214	1.218	1.000	1.000	1.000	0	0%
2016	0	2,678,708	0	2%	2%	10/1/2024	1.195	1.218	1.000	1.000	1.000	0	0%
2017	0	2,692,626	0	2%	2%	10/1/2024	1.177	1.218	1.000	1.000	1.000	0	0%
2018	0	2,747,654	0	2%	2%	10/1/2024	1.159	1.218	1.000	1.000	1.000	0	0%
2019	0	2,782,720	0	2%	2%	10/1/2024	1.141	1.218	1.000	1.000	1.000	0	0%
2020	0	2,780,113	0	2%	2%	10/1/2024	1.123	1.210	1.000	1.456	1.000	0	0%
2021	0	2,806,683	0	2%	2%	10/1/2024	1.106	1.214	1.000	1.462	1.000	0	0%
2022	468,888,965	2,840,243	165	2%	2%	10/1/2024	1.089	1.182	1.000	1.130	1.000	240	33%
2023	560,420,316	2,907,049	193	2%	2%	10/1/2024	1.072	1.068	1.000	1.000	1.000	221	33%
2024	643,027,574	3,003,474	214	2%	2%	10/1/2024	1.056	1.000	1.000	1.000	1.000	226	33%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												229	Sum((13) x (14))
D. Frequency x Severity Method												229	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												229	average(A * B, C)

Notes
 (8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
 (9) Factor for temporary increase in inflation
 (11) Factor to adjust to pre-pandemic frequency levels
 (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Accident Benefits - Total
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
	Oliver Wyman 2025 Annual Review												
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	29,767	2,649,234	11.236	0.0%	0.0%	10/29/2020	1.000		1.000	1.000	0.947	10.640	0%
2016	29,619	2,677,477	11.062	0.0%	0.0%	10/29/2020	1.000		1.000	1.000	0.947	10.476	0%
2017	31,191	2,695,016	11.574	0.0%	0.0%	10/29/2020	1.000		1.000	1.000	0.947	10.960	0%
2018	31,550	2,750,311	11.471	0.0%	0.0%	10/29/2020	1.000		1.000	1.000	0.947	10.863	0%
2019	32,016	2,782,955	11.504	0.0%	0.0%	10/29/2020	1.000		1.000	1.000	0.947	10.894	0%
2020	21,208	2,780,403	7.628	0.0%	0.0%	10/29/2020	1.000		1.000	1.413	0.947	10.210	20%
2021	24,523	2,807,642	8.734	0.0%	0.0%	10/29/2020	1.000		1.000	1.417	0.947	11.721	20%
2022	28,631	2,834,558	10.101	0.0%	0.0%	10/29/2020	1.000		1.000	1.146	0.947	10.964	20%
2023	29,691	2,895,587	10.254	0.0%	0.0%	10/29/2020	1.000		1.000	1.056	0.947	10.254	20%
2024	33,442	2,993,746	11.171	0.0%	0.0%	10/29/2020	1.000		1.000	1.056	0.947	11.171	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												10.864	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	133,925,430	29,767	4,499	11.9%	7.0%	10/29/2020	2.958	1.000	1.116			14,854	0%
2016	140,522,927	29,619	4,744	11.9%	7.0%	10/29/2020	2.644	1.000	1.116			13,997	0%
2017	168,534,364	31,191	5,403	11.9%	7.0%	10/29/2020	2.363	1.000	1.116			14,246	0%
2018	185,091,347	31,550	5,867	11.9%	7.0%	10/29/2020	2.111	1.000	1.116			13,823	0%
2019	203,919,475	32,016	6,369	11.9%	7.0%	10/29/2020	1.887	1.000	1.116			13,412	0%
2020	164,774,258	21,208	7,769	11.9%	7.0%	10/29/2020	1.686	1.000	1.116			14,620	20%
2021	208,890,932	24,523	8,518	11.9%	7.0%	10/29/2020	1.553	1.000	1.116			14,761	20%
2022	279,329,147	28,631	9,756	11.9%	7.0%	10/29/2020	1.451	1.000	1.097			15,527	20%
2023	315,272,610	29,691	10,619	11.9%	7.0%	10/29/2020	1.356	1.000	1.000			14,402	20%
2024	352,365,722	33,442	10,537	11.9%	7.0%	10/29/2020	1.268	1.000	1.000			13,356	20%
B. Selected Severity at 1/1/2028 Cost Level												14,533	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	133,925,430	2,649,234	51	12%	7%	10/29/2020	2.958	1.000	1.116	1.000	0.947	158	0%
2016	140,522,927	2,677,477	52	12%	7%	10/29/2020	2.644	1.000	1.116	1.000	0.947	147	0%
2017	168,534,364	2,695,016	63	12%	7%	10/29/2020	2.363	1.000	1.116	1.000	0.947	156	0%
2018	185,091,347	2,750,311	67	12%	7%	10/29/2020	2.111	1.000	1.116	1.000	0.947	150	0%
2019	203,919,475	2,782,955	73	12%	7%	10/29/2020	1.887	1.000	1.116	1.000	0.947	146	0%
2020	164,774,258	2,780,403	59	12%	7%	10/29/2020	1.686	1.000	1.116	1.413	0.947	149	20%
2021	208,890,932	2,807,642	74	12%	7%	10/29/2020	1.553	1.000	1.116	1.417	0.947	173	20%
2022	279,329,147	2,834,558	99	12%	7%	10/29/2020	1.451	1.000	1.097	1.146	0.947	170	20%
2023	315,272,610	2,895,587	109	12%	7%	10/29/2020	1.356	1.000	1.000	1.056	0.947	148	20%
2024	352,365,722	2,993,746	118	12%	7%	10/29/2020	1.268	1.000	1.000	1.056	0.947	149	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												158	Sum((13) x (14))
D. Frequency x Severity Method												158	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												158	average(A * B, C)

Notes
 (8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
 (9) Factor for temporary increase in inflation
 (11) Factor to adjust to pre-pandemic frequency levels
 (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Collision
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	80,386	1,971,290	40.778	-1.3%	-1.3%	10/1/2024	0.849		1.000	1.000	0.656	22.713	0%
2016	78,039	1,980,764	39.399	-1.3%	-1.3%	10/1/2024	0.860		1.000	1.000	0.656	22.234	0%
2017	83,744	1,989,813	42.087	-1.3%	-1.3%	10/1/2024	0.872		1.000	1.000	0.656	24.063	0%
2018	87,580	2,029,414	43.155	-1.3%	-1.3%	10/1/2024	0.883		1.000	1.000	0.656	24.999	0%
2019	86,483	2,046,144	42.266	-1.3%	-1.3%	10/1/2024	0.895		1.000	1.000	0.656	24.807	0%
2020	56,128	2,028,742	27.666	-1.3%	-1.3%	10/1/2024	0.906		1.000	1.527	0.656	25.116	20%
2021	52,778	2,032,471	25.968	-1.3%	-1.3%	10/1/2024	0.918		1.000	1.534	0.656	24.004	20%
2022	55,293	2,054,621	26.911	-1.3%	-1.3%	10/1/2024	0.931		1.000	1.410	0.656	23.163	20%
2023	49,295	2,110,795	23.354	-1.3%	-1.3%	10/1/2024	0.943		1.000	1.524	0.656	22.017	20%
2024	54,375	2,192,799	24.797	-1.3%	-1.3%	10/1/2024	0.955		1.000	1.524	0.656	23.686	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												23.597	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	495,823,667	80,386	6,168	3.7%	3.7%	10/1/2024	1.575	1.407	1.000			13,669	0%
2016	491,495,472	78,039	6,298	3.7%	3.7%	10/1/2024	1.519	1.407	1.000			13,459	0%
2017	546,230,605	83,744	6,523	3.7%	3.7%	10/1/2024	1.465	1.407	1.000			13,442	0%
2018	574,277,240	87,580	6,557	3.7%	3.7%	10/1/2024	1.412	1.407	1.000			13,031	0%
2019	558,883,966	86,483	6,462	3.7%	3.7%	10/1/2024	1.362	1.407	1.000			12,384	0%
2020	379,211,031	56,128	6,756	3.7%	3.7%	10/1/2024	1.313	1.390	1.000			12,335	20%
2021	398,005,896	52,778	7,541	3.7%	3.7%	10/1/2024	1.267	1.398	1.000			13,348	20%
2022	534,815,548	55,293	9,672	3.7%	3.7%	10/1/2024	1.221	1.337	1.000			15,795	20%
2023	528,765,743	49,295	10,727	3.7%	3.7%	10/1/2024	1.178	1.120	1.000			14,150	20%
2024	607,164,454	54,375	11,166	3.7%	3.7%	10/1/2024	1.136	1.000	1.000			12,682	20%
B. Selected Severity at 1/1/2028 Cost Level												13,662	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	495,823,667	1,971,290	252	2%	2%	10/1/2024	1.337	1.407	1.000	1.000	0.656	310	0%
2016	491,495,472	1,980,764	248	2%	2%	10/1/2024	1.307	1.407	1.000	1.000	0.656	299	0%
2017	546,230,605	1,989,813	275	2%	2%	10/1/2024	1.277	1.407	1.000	1.000	0.656	323	0%
2018	574,277,240	2,029,414	283	2%	2%	10/1/2024	1.247	1.407	1.000	1.000	0.656	326	0%
2019	558,883,966	2,046,144	273	2%	2%	10/1/2024	1.219	1.407	1.000	1.000	0.656	307	0%
2020	379,211,031	2,028,742	187	2%	2%	10/1/2024	1.191	1.390	1.000	1.527	0.656	310	20%
2021	398,005,896	2,032,471	196	2%	2%	10/1/2024	1.163	1.398	1.000	1.534	0.656	320	20%
2022	534,815,548	2,054,621	260	2%	2%	10/1/2024	1.136	1.337	1.000	1.410	0.656	366	20%
2023	528,765,743	2,110,795	251	2%	2%	10/1/2024	1.110	1.120	1.000	1.524	0.656	312	20%
2024	607,164,454	2,192,799	277	2%	2%	10/1/2024	1.085	1.000	1.000	1.524	0.656	300	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												322	Sum((13) x (14))
D. Frequency x Severity Method												322	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												322	average(A * B, C)

Notes
 (8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
 (9) Factor for temporary increase in inflation
 (11) Factor to adjust to pre-pandemic frequency levels
 (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Comprehensive - Total
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
Oliver Wyman 2025 Annual Review													
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	75,205	2,371,088	31.718	0.6%	0.6%	10/1/2024	1.078		1.000	1.000	1.000	34.181	0%
2016	100,405	2,364,669	42.461	0.6%	0.6%	10/1/2024	1.071		1.000	1.000	1.000	45.486	0%
2017	65,912	2,368,100	27.833	0.6%	0.6%	10/1/2024	1.065		1.000	1.000	1.000	29.638	0%
2018	66,455	2,403,965	27.644	0.6%	0.6%	10/1/2024	1.059		1.000	1.000	1.000	29.261	0%
2019	64,990	2,400,116	27.078	0.6%	0.6%	10/1/2024	1.052		1.000	1.000	1.000	28.491	0%
2020	78,958	2,378,392	33.198	0.6%	0.6%	10/1/2024	1.046		1.000	1.000	1.000	34.722	20%
2021	66,310	2,359,081	28.108	0.6%	0.6%	10/1/2024	1.040		1.000	1.000	1.000	29.223	20%
2022	66,073	2,359,533	28.003	0.6%	0.6%	10/1/2024	1.033		1.000	1.000	1.000	28.940	20%
2023	66,802	2,398,690	27.850	0.6%	0.6%	10/1/2024	1.027		1.000	1.000	1.000	28.610	20%
2024	110,935	2,469,196	44.928	0.6%	0.6%	10/1/2024	1.021		1.000	1.000	1.000	45.879	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												33.475	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	451,862,049	75,205	6,008	4.5%	4.5%	10/1/2024	1.734	1.000	1.000			10,418	0%
2016	602,783,512	100,405	6,004	4.5%	4.5%	10/1/2024	1.659	1.000	1.000			9,961	0%
2017	411,978,141	65,912	6,250	4.5%	4.5%	10/1/2024	1.588	1.000	1.000			9,925	0%
2018	420,508,469	66,455	6,328	4.5%	4.5%	10/1/2024	1.519	1.000	1.000			9,615	0%
2019	408,530,910	64,990	6,286	4.5%	4.5%	10/1/2024	1.454	1.000	1.000			9,140	0%
2020	630,078,158	78,958	7,980	4.5%	4.5%	10/1/2024	1.391	1.000	1.000			11,103	20%
2021	449,627,137	66,310	6,781	4.5%	4.5%	10/1/2024	1.331	1.000	1.000			9,028	20%
2022	491,676,648	66,073	7,441	4.5%	4.5%	10/1/2024	1.274	1.000	1.000			9,481	20%
2023	561,318,668	66,802	8,403	4.5%	4.5%	10/1/2024	1.219	1.000	1.000			10,245	20%
2024	1,236,932,590	110,935	11,150	4.5%	4.5%	10/1/2024	1.167	1.000	1.000			13,010	20%
B. Selected Severity at 1/1/2028 Cost Level												10,574	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	451,862,049	2,371,088	191	5%	5%	10/1/2024	1.869	1.000	1.000	1.000	1.000	356.1	0%
2016	602,783,512	2,364,669	255	5%	5%	10/1/2024	1.777	1.000	1.000	1.000	1.000	453.1	0%
2017	411,978,141	2,368,100	174	5%	5%	10/1/2024	1.691	1.000	1.000	1.000	1.000	294.1	0%
2018	420,508,469	2,403,965	175	5%	5%	10/1/2024	1.608	1.000	1.000	1.000	1.000	281.3	0%
2019	408,530,910	2,400,116	170	5%	5%	10/1/2024	1.530	1.000	1.000	1.000	1.000	260.4	0%
2020	630,078,158	2,378,392	265	5%	5%	10/1/2024	1.455	1.000	1.000	1.000	1.000	385.5	20%
2021	449,627,137	2,359,081	191	5%	5%	10/1/2024	1.384	1.000	1.000	1.000	1.000	263.8	20%
2022	491,676,648	2,359,533	208	5%	5%	10/1/2024	1.317	1.000	1.000	1.000	1.000	274.4	20%
2023	561,318,668	2,398,690	234	5%	5%	10/1/2024	1.253	1.000	1.000	1.000	1.000	293.1	20%
2024	1,236,932,590	2,469,196	501	5%	5%	10/1/2024	1.191	1.000	1.000	1.000	1.000	596.9	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												362.7	Sum((13) x (14))
D. Frequency x Severity Method												353.9	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												358.3	average(A * B, C)

Notes
(8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
All Perils
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	2,796	24,320	114.968	-8.2%	-8.2%	10/1/2024	0.345		1.000	1.000	1.000	39.630	0%
2016	2,923	22,596	129.360	-8.2%	-8.2%	10/1/2024	0.375		1.000	1.000	1.000	48.556	0%
2017	2,379	21,967	108.300	-8.2%	-8.2%	10/1/2024	0.409		1.000	1.000	1.000	44.265	0%
2018	1,875	22,216	84.398	-8.2%	-8.2%	10/1/2024	0.445		1.000	1.000	1.000	37.563	0%
2019	1,480	23,032	64.259	-8.2%	-8.2%	10/1/2024	0.485		1.000	1.000	1.000	31.142	0%
2020	1,193	22,014	54.192	-8.2%	-8.2%	10/1/2024	0.528		1.000	1.414	1.000	40.424	20%
2021	1,416	25,438	55.652	-8.2%	-8.2%	10/1/2024	0.575		1.000	1.418	1.000	45.332	20%
2022	1,968	32,783	60.037	-8.2%	-8.2%	10/1/2024	0.626		1.000	1.119	1.000	42.019	20%
2023	2,568	45,615	56.300	-8.2%	-8.2%	10/1/2024	0.681		1.000	1.000	1.000	38.361	20%
2024	4,143	56,258	73.651	-8.2%	-8.2%	10/1/2024	0.742		1.000	1.000	1.000	54.645	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												44.156	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	10,383,844	2,796	3,714	12.9%	12.9%	10/1/2024	4.569	1.000	1.000			16,970	0%
2016	11,185,193	2,923	3,827	12.9%	12.9%	10/1/2024	4.047	1.000	1.000			15,484	0%
2017	9,962,525	2,379	4,188	12.9%	12.9%	10/1/2024	3.584	1.000	1.000			15,007	0%
2018	11,318,138	1,875	6,036	12.9%	12.9%	10/1/2024	3.174	1.000	1.000			19,156	0%
2019	10,323,562	1,480	6,975	12.9%	12.9%	10/1/2024	2.810	1.000	1.000			19,604	0%
2020	8,776,131	1,193	7,356	12.9%	12.9%	10/1/2024	2.489	1.000	1.000			18,309	20%
2021	11,393,570	1,416	8,048	12.9%	12.9%	10/1/2024	2.204	1.000	1.000			17,739	20%
2022	18,813,064	1,968	9,558	12.9%	12.9%	10/1/2024	1.952	1.000	1.000			18,657	20%
2023	28,062,483	2,568	10,927	12.9%	12.9%	10/1/2024	1.729	1.000	1.000			18,888	20%
2024	48,009,641	4,143	11,587	12.9%	12.9%	10/1/2024	1.531	1.000	1.000			17,737	20%
B. Selected Severity at 1/1/2028 Cost Level												18,266	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	10,383,844	24,320	427	4%	4%	10/1/2024	1.575	1.000	1.000	1.000	1.000	673	0%
2016	11,185,193	22,596	495	4%	4%	10/1/2024	1.519	1.000	1.000	1.000	1.000	752	0%
2017	9,962,525	21,967	454	4%	4%	10/1/2024	1.465	1.000	1.000	1.000	1.000	664	0%
2018	11,318,138	22,216	509	4%	4%	10/1/2024	1.412	1.000	1.000	1.000	1.000	720	0%
2019	10,323,562	23,032	448	4%	4%	10/1/2024	1.362	1.000	1.000	1.000	1.000	611	0%
2020	8,776,131	22,014	399	4%	4%	10/1/2024	1.313	1.000	1.000	1.414	1.000	740	20%
2021	11,393,570	25,438	448	4%	4%	10/1/2024	1.267	1.000	1.000	1.418	1.000	804	20%
2022	18,813,064	32,783	574	4%	4%	10/1/2024	1.221	1.000	1.000	1.119	1.000	784	20%
2023	28,062,483	45,615	615	4%	4%	10/1/2024	1.178	1.000	1.000	1.000	1.000	725	20%
2024	48,009,641	56,258	853	4%	4%	10/1/2024	1.136	1.000	1.000	1.000	1.000	969	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												804	Sum((13) x (14))
D. Frequency x Severity Method												807	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												805	average(A * B, C)

Notes
(8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
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Forecasted Loss Cost - Current Product
Specified Perils
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	183	17,332	10.559	-1.0%	-1.0%	10/1/2024	0.880		1.000	1.000	1.000	9.292	0%
2016	211	17,832	11.833	-1.0%	-1.0%	10/1/2024	0.889		1.000	1.000	1.000	10.520	0%
2017	196	19,125	10.248	-1.0%	-1.0%	10/1/2024	0.898		1.000	1.000	1.000	9.205	0%
2018	181	21,493	8.421	-1.0%	-1.0%	10/1/2024	0.907		1.000	1.000	1.000	7.642	0%
2019	194	21,800	8.902	-1.0%	-1.0%	10/1/2024	0.917		1.000	1.000	1.000	8.161	0%
2020	275	23,284	11.817	-1.0%	-1.0%	10/1/2024	0.926		1.000	1.000	1.000	10.945	20%
2021	226	24,086	9.388	-1.0%	-1.0%	10/1/2024	0.936		1.000	1.000	1.000	8.784	20%
2022	247	24,511	10.086	-1.0%	-1.0%	10/1/2024	0.945		1.000	1.000	1.000	9.534	20%
2023	221	24,446	9.046	-1.0%	-1.0%	10/1/2024	0.955		1.000	1.000	1.000	8.639	20%
2024	342	24,236	14.099	-1.0%	-1.0%	10/1/2024	0.965		1.000	1.000	1.000	13.603	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												10.301	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	870,391	183	4,756	6.4%	6.4%	10/1/2024	2.167	1.000	1.000			10,309	0%
2016	1,156,010	211	5,479	6.4%	6.4%	10/1/2024	2.037	1.000	1.000			11,163	0%
2017	1,142,697	196	5,830	6.4%	6.4%	10/1/2024	1.915	1.000	1.000			11,166	0%
2018	1,215,881	181	6,718	6.4%	6.4%	10/1/2024	1.800	1.000	1.000			12,094	0%
2019	1,054,675	194	5,435	6.4%	6.4%	10/1/2024	1.692	1.000	1.000			9,197	0%
2020	1,578,544	275	5,737	6.4%	6.4%	10/1/2024	1.591	1.000	1.000			9,126	20%
2021	1,485,487	226	6,569	6.4%	6.4%	10/1/2024	1.495	1.000	1.000			9,823	20%
2022	1,874,815	247	7,584	6.4%	6.4%	10/1/2024	1.406	1.000	1.000			10,660	20%
2023	2,025,936	221	9,162	6.4%	6.4%	10/1/2024	1.321	1.000	1.000			12,106	20%
2024	3,267,892	342	9,563	6.4%	6.4%	10/1/2024	1.242	1.000	1.000			11,878	20%
B. Selected Severity at 1/1/2028 Cost Level												10,719	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	870,391	17,332	50	5%	5%	10/1/2024	1.907	1.000	1.000	1.000	1.000	96	0%
2016	1,156,010	17,832	65	5%	5%	10/1/2024	1.811	1.000	1.000	1.000	1.000	117	0%
2017	1,142,697	19,125	60	5%	5%	10/1/2024	1.720	1.000	1.000	1.000	1.000	103	0%
2018	1,215,881	21,493	57	5%	5%	10/1/2024	1.634	1.000	1.000	1.000	1.000	92	0%
2019	1,054,675	21,800	48	5%	5%	10/1/2024	1.551	1.000	1.000	1.000	1.000	75	0%
2020	1,578,544	23,284	68	5%	5%	10/1/2024	1.473	1.000	1.000	1.000	1.000	100	20%
2021	1,485,487	24,086	62	5%	5%	10/1/2024	1.399	1.000	1.000	1.000	1.000	86	20%
2022	1,874,815	24,511	76	5%	5%	10/1/2024	1.329	1.000	1.000	1.000	1.000	102	20%
2023	2,025,936	24,446	83	5%	5%	10/1/2024	1.262	1.000	1.000	1.000	1.000	105	20%
2024	3,267,892	24,236	135	5%	5%	10/1/2024	1.198	1.000	1.000	1.000	1.000	162	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												111	Sum((13) x (14))
D. Frequency x Severity Method												110	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												111	average(A * B, C)

Notes
(8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Underinsured Motorist
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
Oliver Wyman 2025 Annual Review													
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	68	2,616,047	0.026	4.6%	4.6%	10/1/2024	1.755		1.000	1.000	1.000	0.046	0%
2016	65	2,638,393	0.025	4.6%	4.6%	10/1/2024	1.678		1.000	1.000	1.000	0.041	0%
2017	67	2,650,721	0.025	4.6%	4.6%	10/1/2024	1.604		1.000	1.000	1.000	0.041	0%
2018	75	2,698,906	0.028	4.6%	4.6%	10/1/2024	1.533		1.000	1.000	1.000	0.042	0%
2019	76	2,717,179	0.028	4.6%	4.6%	10/1/2024	1.466		1.000	1.000	1.000	0.041	0%
2020	70	2,708,121	0.026	4.6%	4.6%	10/1/2024	1.401		1.000	1.000	1.000	0.036	20%
2021	55	2,728,005	0.020	4.6%	4.6%	10/1/2024	1.340		1.000	1.000	1.000	0.027	20%
2022	82	2,751,821	0.030	4.6%	4.6%	10/1/2024	1.281		1.000	1.000	1.000	0.038	20%
2023	78	2,808,186	0.028	4.6%	4.6%	10/1/2024	1.225		1.000	1.000	1.000	0.034	20%
2024	100	2,902,061	0.034	4.6%	4.6%	10/1/2024	1.171		1.000	1.000	1.000	0.040	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												0.035	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	19,591,790	68	286,044	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			286,044	0%
2016	17,398,932	65	266,862	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			266,862	0%
2017	15,085,798	67	223,929	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			223,929	0%
2018	18,133,978	75	243,200	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			243,200	0%
2019	19,631,326	76	257,898	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			257,898	0%
2020	18,280,360	70	260,034	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			260,034	20%
2021	19,709,465	55	356,334	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			356,334	20%
2022	24,225,107	82	296,628	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			296,628	20%
2023	19,005,212	78	244,218	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			244,218	20%
2024	17,201,426	100	172,731	0.0%	0.0%	10/1/2024	1.000	1.000	1.000			172,731	20%
B. Selected Severity at 1/1/2028 Cost Level												265,989	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	19,591,790	2,616,047	7	5%	5%	10/1/2024	1.755	1.000	1.000	1.000	1.000	13	0%
2016	17,398,932	2,638,393	7	5%	5%	10/1/2024	1.678	1.000	1.000	1.000	1.000	11	0%
2017	15,085,798	2,650,721	6	5%	5%	10/1/2024	1.604	1.000	1.000	1.000	1.000	9	0%
2018	18,133,978	2,698,906	7	5%	5%	10/1/2024	1.533	1.000	1.000	1.000	1.000	10	0%
2019	19,631,326	2,717,179	7	5%	5%	10/1/2024	1.466	1.000	1.000	1.000	1.000	11	0%
2020	18,280,360	2,708,121	7	5%	5%	10/1/2024	1.401	1.000	1.000	1.000	1.000	9	20%
2021	19,709,465	2,728,005	7	5%	5%	10/1/2024	1.340	1.000	1.000	1.000	1.000	10	20%
2022	24,225,107	2,751,821	9	5%	5%	10/1/2024	1.281	1.000	1.000	1.000	1.000	11	20%
2023	19,005,212	2,808,186	7	5%	5%	10/1/2024	1.225	1.000	1.000	1.000	1.000	8	20%
2024	17,201,426	2,902,061	6	5%	5%	10/1/2024	1.171	1.000	1.000	1.000	1.000	7	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												9	Sum((13) x (14))
D. Frequency x Severity Method												9	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												9	average(A * B, C)

Notes
 (8) Future trend is equal to Past 2 Trend (6) and trended to 1/1/2028
 (9) Factor for temporary increase in inflation
 (11) Factor to adjust to pre-pandemic frequency levels
 (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Non-Claim Expenses - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
		GISA Report AUTO9502			(2) / (5)	(3) / (5)	(4) / (5)	
	as Percentage of Direct Written Premium							
Accident Year	Total Commissions (including CPC) (000)	Taxes (000)	Other Acquisition and General Expenses (000)	Written Premium (000)	Total Commissions (including CPC)	Taxes	Other Acquisition and General Expenses	
2015	383,224	89,901	322,421	3,082,662	12.4%	2.9%	10.5%	
2016	409,860	110,048	339,836	3,185,181	12.9%	3.5%	10.7%	
2017	410,837	123,977	324,246	3,283,702	12.5%	3.8%	9.9%	
2018	439,082	132,549	342,369	3,485,132	12.6%	3.8%	9.8%	
2019	472,382	141,452	356,228	3,777,861	12.5%	3.7%	9.4%	
2020	514,309	152,341	387,439	4,118,148	12.5%	3.7%	9.4%	
2021	596,336	163,803	435,174	4,300,800	13.9%	3.8%	10.1%	
2022	586,607	171,350	476,330	4,461,891	13.1%	3.8%	10.7%	
			A.1. Selected Expense Provision		13.2%	4.0%	10.1%	Selected
			A.2. Percent Variable		100%	100%	60%	Selected
			A.3. Percent Fixed		0%	0%	40%	1 - A.2
				B. Estimated Variable Expense Provision			23.2%	Sum[A.1 x A.2]
				C.1. Estimated Fixed Expense (as % of Premium)			4.0%	Sum[A.1 x A.3]
				C.2. 2024-2 Average Written Premium			1,817	GISA Report AUTO7001
				C.3. Estimated Fixed Expense (per Vehicle)			73	C.1 * C.2
				D.1. Fixed Expense Trend Rate			4.0%	Selected
				D.2. Trend From Date			10/1/2024	
				D.3. Trend To Date			1/1/2028	
				D.4. Fixed Expense Trend			1.136	(1 + D.1)^{[(D.3 - D.2) / 365.25]}
				D.5. Estimated Fixed Expense per Earned Vehicle			83	C.3 * D.4

Notes

A.2., (8) Assumes 50% of General expenses and 100% of other acquisition expenses are variable
(2) ; (6) CPC = contingent profit commission.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Health Levy - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
	See Note	GISA Report AUTO7001	(2) * (3)	GISA Report AUTO7001	(4) / (5)
Accident Year	Health Levy	TPL Earned Premium	Total Health Levy	Earned Vehicles	Health Levy Cost per Vehicles
2013	5.74%	1,283,938,976	73,633,900	2,480,356	29.69
2014	4.95%	1,390,864,304	68,847,783	2,576,725	26.72
2015	5.72%	1,502,185,743	85,925,025	2,652,217	32.40
2016	6.18%	1,624,275,549	100,299,015	2,678,708	37.44
2017	5.79%	1,741,812,971	100,763,880	2,692,626	37.42
2018	7.04%	1,892,471,053	133,229,962	2,747,654	48.49
2019	6.70%	2,075,786,247	139,077,679	2,782,720	49.98
2020	4.74%	2,305,524,974	109,281,884	2,780,113	39.31
2021	2.94%	2,518,434,703	74,041,980	2,806,683	26.38
2022	3.55%	2,569,993,828	91,234,781	2,840,243	32.12
2023	2.86%	2,687,547,491	76,863,858	2,907,049	26.44
2024	2.94%	2,909,363,830	85,535,297	3,003,474	28.48
2025	1.94%		94,088,826	3,048,526	30.86
2026			103,497,709	3,094,254	33.45
2027			113,847,480	3,140,668	36.25
2028			125,232,228	3,187,778	39.29

Indicated Trend

2013 - 2022	3.0%	1.3%
2013 - 2019	12.9%	1.8%
2015 - 2019	13.3%	1.2%
2021 - 2024	2.6%	2.3%
Selected	10.0%	1.5%

Notes

- (2) Tax and Revenue Administration (TRA) - Health Cost Recovery Special Notice Vol. 6 No. 26
- (4) & (5) 2025 - 2028 projected based on actual 2024 health levy and selected trend.
Health levy trend selection implicitly considers reduction in frequency observed during the pandemic.
2025 Earned premiums were not available for this review.
Given the decrease in the 2025 health levy rate, we expect that our estimate is slightly conservative.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Required Premium - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			per (3)	Exhibit CP-1.1 - Exhibit CP-1.9	See Note	(5) * (6)	See Note	Exhibit CP-2.1	Board Benchmark	(7) * (8) / (1 - (9) - (10))	See Note	(11) + (12)
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	Selected Loss Cost at 1/1/2028 Cost Level	Claim Payment Pattern Factor	Projected Discounted Loss Cost per Vehicle	Delay in Receiving Premiums	Estimated Variable Expense Provision	Profit Provision	Estimated Required Premium (Excl. Fixed Expense)	Allocated Fixed Expense	Estimated Required Premium
Third Party Liability	Bodily Injury			1,157.31	0.871	1,007.58	1.007	23%	6%	1,434	60	1,493.84
Third Party Liability	Property Damage			21.79	0.975	21.24	1.007	23%	6%	30	1	31.49
Third Party Liability	DCPD			229.07	0.975	223.31	1.007	23%	6%	318	13	331.09
Third Party Liability	Health Levy			39.29	1.000	39.29	1.007	23%	6%	56	2	58.24
Third Party Liability	Total	1,547,977	100%	1,447.453	0.892	1,291.42	1.007	23%	6%	1,838	77	1,914.67
Accident Benefits	Accident Benefits - Total	1,542,827	100%	157.88	0.945	149.18	1.007	23%	6%	212	9	221.18
Collision	Collision	1,134,024	73%	321.99	0.979	315.25	1.007	23%	6%	449	19	467.39
Comprehensive	Comprehensive - Total	1,284,657	83%	358.35	0.978	350.45	1.007	23%	6%	499	21	519.58
All Perils	All Perils	31,734	2%	805.48	0.977	786.92	1.007	23%	6%	1,120	47	1,166.69
Specified Perils	Specified Perils	12,790	1%	110.61	0.979	108.25	1.007	23%	6%	154	6	160.49
Underinsured Motorists	Underinsured Motorist	1,500,527	97%	9.24	0.825	7.62	1.007	23%	6%	11	0	11.30
				Estimated Fixed Expense per Earned Vehicle			83	1.007	23%	6%	118	
							Exhibit CP-2.1					
Package	Basic Coverage			1,605	0.897	1,441	1.007	23%	6%	2,050	86	2,135.84
Package	Full Coverage (assumes insured purchases CM rather than AP/SP)			2,295	0.921	2,114	1.007	23%	6%	3,008	126	3,134.11
Package	Industry Weighted Average			2,164	0.918	1,986	1.007	23%	6%	2,827	118	2,944.90
Notes												
(5)	Health Levy per Exhibit CP-2.2											
(6)	Based on selected investment income rate of 3.00% and selected payment pattern											
	Reported Return on Investment			2020	2021	2022	2023	2024	Average	Selected		
	per P&C Financial Returns reported to OSFI			4.17%	2.71%	0.08%	4.45%	7.15%	3.71%	3.00%		
	2023 excludes a large insurer that reported an ROI of 72.03%											
	We conservatively select a slightly lower investment rate to recognize that insurers have different investment strategies.											
(8)	Based on investment rate of 3.00% and assumed three month delay											
(12)	Allocation of total fixed expenses in (11) to coverage based on (11)											

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Bodily Injury: Out of Province Loss Cost
Data as of 12/31/2024

(1)	(2) AUTO-7001	(3) AUTO-7001	(4) SUM((2):(3))	(5) (2) / (4)	(6) (3) / (4)	(7) (4) / (4)
Accident Half Year	Reported Incurred Claims and ALAE			Distribution		
	Within Province	Out of Province	Total	Within Province	Out of Province	Total
202201	429,179,158	7,009,177	436,188,335	98.4%	1.6%	100.0%
202202	578,837,216	9,381,114	588,218,330	98.4%	1.6%	100.0%
202301	397,216,721	10,100,373	407,317,094	97.5%	2.5%	100.0%
202302	408,320,383	5,505,627	413,826,010	98.7%	1.3%	100.0%
202401	317,566,868	6,310,982	323,877,850	98.1%	1.9%	100.0%
202402	215,506,054	3,722,714	219,228,768	98.3%	1.7%	100.0%
A.	All-Year Weighted Average.....			98.2%	1.8%	
B.	Selected Out of Province Distribution.....			98.2%	1.8%	100.0%
C.	Selected Out of Province Severity Differential Factor.....				150.0%	
	Estimated ratio of average severity for out-of-province claims to in-province claims					
D.	Implied Frequency Adjustment.....				1.2%	
	B. / C.					

Notes

- (2) Includes loss codes 5 and 6 from the kind of loss code field in Exhibit AUTO7001.
- (3) Includes loss codes 3 and 4 from the kind of loss code field in Exhibit AUTO7001.
- C. We note that out-of-province claims may be more complex due to jurisdictional differences. We judgmentally select a 150% severity adjustment factor.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Bodily Injury: Out of Province Loss Cost
Data as of 12/31/2024

(1)	(2) Exhibit CP-1.1	(3) Exhibit CF-1.1.1	(4) (2) * (3)
Metric	Current Product	Out of Province Adjustment	Care-First
Frequency	4.7	1.2%	0.1
Severity	243,943	150.0%	365,914
BI Loss Cost: Out of Province Claims			20.37

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Underinsured Motorist - Ultimate Loss and ALAE Allocation
Data as of 12/31/2024

(1)	(2) Exhibit CP-1.9	(3) Exhibit CF-1.1.1	(4) (2) * (3)
Accident Year	Loss Cost at 1/1/2028 Cost Level	Selected Out of Province Distribution	Estimated Loss Cost for Out of Province Accidents
2015	13.14	1.8%	0.23
2016	11.06	1.8%	0.19
2017	9.13	1.8%	0.16
2018	10.30	1.8%	0.18
2019	10.59	1.8%	0.19
2020	9.46	1.8%	0.17
2021	9.68	1.8%	0.17
2022	11.28	1.8%	0.20
2023	8.29	1.8%	0.15
2024	6.94	1.8%	0.12
	All-Year Average		0.18
	5-year average		0.16
	Selected Loss Cost at 1/1/2028 Cost Level		0.16

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Determination of Trended Income and Tax Bands
Data as of 12/31/2024

	(1)	(2)	(3)	(4)	(5)	(6)			
		See Note	See Note	See Note	See Note	See Note			
Income Band	Alberta	Manitoba	Alberta	Manitoba	Income Band	Trended Income Band			
Lower Limit	Upper Limit	2023	2023	2023	Lower Limit	Upper Limit			
Cost Level						2027.5			
A.1. Distribution of Incomes									
		Percentage (Rounded)		Distribution					
Less than	5,000	11.0%	10.9%	11.0%	10.9%	1.021	1.021	Less than	5,488
5,000	to 10,000	6.1%	6.0%	6.1%	6.0%	1.021	1.021	5,488	to 10,976
10,000	to 20,000	10.7%	11.0%	10.7%	11.0%	1.021	1.021	10,976	to 21,951
20,000	to 30,000	8.4%	10.0%	8.4%	10.0%	1.021	1.021	21,951	to 32,927
30,000	to 40,000	7.9%	9.8%	7.9%	9.8%	1.021	1.021	32,927	to 43,902
40,000	to 50,000	7.9%	11.2%	7.9%	11.2%	1.021	1.021	43,902	to 54,878
50,000	to 60,000	7.6%	7.6%	7.6%	7.6%	1.021	1.021	54,878	to 65,853
60,000	to 80,000	12.5%	13.0%	12.5%	13.0%	1.021	1.021	65,853	to 87,804
80,000	to 100,000	9.1%	8.5%	9.1%	8.5%	1.021	1.021	87,804	to 109,755
100,000	and above	19.0%	11.5%	19.0%	11.5%	1.021	1.021	109,755	and above
Total		100.2%	100.1%	100.0%	100.0%				
A.2. Allocation of \$100,000 and above Income Distribution									
		per A.1. and B.		Distribution					
100,000	to 150,000			11.3%	8.0%	1.021	1.021	109,755	to 164,633
150,000	to 200,000			3.8%	1.9%	1.021	1.021	164,633	to 219,510
200,000	to 250,000			1.7%	0.7%	1.021	1.021	219,510	to 274,388
250,000	and above			2.2%	0.9%	1.021	1.021	274,388	to +inf
Total				19.0%	11.5%				
B. Distribution of Tax Filers (includes distribution greater than \$100,000)									
		Number of Persons		Distribution					
Less than	5,000	209,770	67,720	6.0%	6.4%	1.021	1.021	Less than	5,488
5,000	to 10,000	138,430	46,020	4.0%	4.3%	1.021	1.021	5,488	to 10,976
10,000	to 15,000	156,960	54,960	4.5%	5.2%	1.021	1.021	10,976	to 16,463
15,000	to 20,000	170,780	66,420	4.9%	6.3%	1.021	1.021	16,463	to 21,951
20,000	to 25,000	211,910	66,990	6.1%	6.3%	1.021	1.021	21,951	to 27,439
25,000	to 35,000	430,160	142,480	12.3%	13.4%	1.021	1.021	27,439	to 38,414
35,000	to 50,000	489,300	176,330	14.0%	16.6%	1.021	1.021	38,414	to 54,878
50,000	to 75,000	632,550	210,690	18.1%	19.9%	1.021	1.021	54,878	to 82,316
75,000	to 100,000	407,650	112,270	11.7%	10.6%	1.021	1.021	82,316	to 109,755
100,000	to 150,000	383,440	81,210	11.0%	7.7%	1.021	1.021	109,755	to 164,633
150,000	to 200,000	127,490	19,360	3.7%	1.8%	1.021	1.021	164,633	to 219,510
200,000	to 250,000	56,500	6,610	1.6%	0.6%	1.021	1.021	219,510	to 274,388
250,000	and above	73,670	9,190	2.1%	0.9%	1.021	1.021	274,388	to +inf
Total		3,488,610	1,060,250	100.0%	100.0%				
Control		3,488,600	1,060,240	100.0%	100.0%				
Difference		(10)	(10)	0.0%	0.0%				
C. CPP Contribution									
		2026						2027.5	
3,500	to 74,600	5.95%				1.000	1.026	3,500	to 77,582
74,600	to 85,000	4.00%				1.026	1.026	77,582	to 88,398
D. EI Premium									
		2025				1.026	1.026	0	to 68,330
0	to 65,700	1.61%							
E. Provincial Income Tax									
		2026						2027.5	
E.1. Alberta									
22,769	to 61,200	8.00%				1.019	1.021	23,427	to 63,131
61,200	to 154,259	10.00%				1.021	1.021	63,131	to 159,126
154,259	to 185,111	12.00%				1.021	1.021	159,126	to 190,951
185,111	to 246,813	13.00%				1.021	1.021	190,951	to 254,600
246,813	to 370,220	14.00%				1.021	1.021	254,600	to 381,901
370,220	and above	15.00%				1.021	1.021	381,901	to +inf
E.2. Manitoba									
15,780	to 47,000	10.80%				1.000	1.000	15,780	to 47,000
47,000	to 100,000	12.75%				1.000	1.000	47,000	to 100,000
100,000	and above	17.40%				1.000	1.000	100,000	to +inf
F. Federal Income Tax									
16,129	to 58,523	14.00%				1.037	1.024	17,046	to 60,621
58,523	to 117,045	20.50%				1.024	1.024	60,621	to 121,241
117,045	to 181,440	26.00%				1.024	1.024	121,241	to 187,945
181,440	to 258,482	29.00%				1.024	1.027	187,945	to 267,754
258,482	and above	33.00%				1.027	1.027	267,754	to +inf
G. Other Values									
Manitoba Disability Income Benefit									
120,000		2026	Policy Year			1.022		122,684	2027
Care-First Maximum Disability Income Benefit									
125,000		2026	Policy Year			1.021		127,618	2027
Average employment income									
62,600		2023	Calendar Year			1.021		68,707	2027.5
Manitoba									
51,300		2023	Calendar Year			1.022		56,657	

Notes

- A.1. Distribution of incomes per:
Table 11-10-0240-01 Distribution of **employment income** of individuals by sex and work activity, Canada, provinces and selected census metropolitan areas emphasis added
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110024001>
- A.2. Allocation of 100,000 and above from A.1. using B.
We make the simplifying assumption that the distribution of total income is proportional to the distribution of employment income and calculate the percent in based on the distribution of Statistics Canada Table 11-10-0008-01, applied to the 19.0% in Statistics Canada Table 11-10-0240-01.
- B. Distribution of Tax Filers (includes distribution greater than \$100,000) per:
Statistics Canada, Table 11-10-0008-01 Tax filers and dependents with income by total income, sex and age (emphasis added)
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110000801> (accessed 8 January 2026)
Includes non-earned income
- C. Rates per
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/canada-pension-plan-cpp/cpp>
- D. Rates per
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/employment-insurance-ei/ei-premium>
Projected based on linear model
- E., F. Rates per
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/income-tax/reducing-remuneration-subject-income-tax.html> (accessed 8 January 2026)
Personal exemption per
<https://www.canada.ca/content/dam/cra-arc/forms/pubs/pg/t1ab/t1ab-26e.pdf> (accessed 12 January 2026)
<https://www.canada.ca/content/dam/cra-arc/migration/cra-arc/tx/bsns/tpcs/pyr/14032/2026/t4032-mb-1-26e.pdf> (accessed 12 January 2026)
Note that Manitoba tax brackets are not indexed per:
<https://www.canada.ca/en/revenue-agency/services/forms-publications/payroll/t4032-payroll-deductions-tables/t4032mb-jan/t4032mb-jan-january-general-information.html#1.2> (accessed 12 January 2026)
See Provincial legislative updates under "What's new as of January 1, 2026"

- (5) Based on linear model fit to historical data
(6) Includes minor correction factor to reflect the average of 2027 and 2028, rather than trend to the midpoint

Appendix
Exhibit CF-1.3.3

Province of Alberta
Private Passengers Vehicles
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Income Replacement Increased Limit Factors
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)						(7)					(8)	(9)	(10)	(11)	
Exhibit CF-1.3.2	Exhibit CF-1.3.2	Exhibit CF-1.3.2	See Note	See Note	See Note						See Note					(6) + (7)	(3) - (4) - (5) - (8)	(3) / 52	(9) / 52	
Gross Income Level Adjusted to 2028	Percent in Level	Mean Within Range	CPP Contribution	EI Premium	Provincial Income Tax						Federal Income Tax					Income Tax	Average Net Income	Average Gross Weekly Income	Average Net Weekly Income	
		Rate	5.95%	4.00%	1.61%	8.00%	10.00%	12.00%	13.00%	14.00%	15.00%	14.00%	20.50%	26.00%	29.00%	33.00%				
		Income Limit Adjusted 2028	77,582	88,398	68,330	63,131	159,126	190,951	254,600	381,901	999,999	60,621	121,241	187,945	268,926	999,999				
		Basic Exemption Adjusted to 2028	3,500	77,582	0	23,427	63,131	159,126	190,951	254,600	381,901	17,046	60,621	121,241	187,945	268,926				
		Exhibit CF-1.3.1																		
		Exhibit CF-1.3.1																		
109,755 to 127,618	4.9%	119,772	4,408	433	1,100	3,176	5,664	0	0	0	0	6,100	12,126	0	0	0	27,067	86,765	2,303	1,669
127,618 to 177,618	7.7%	151,108	4,408	433	1,100	3,176	8,798	0	0	0	0	6,100	12,427	7,765	0	0	38,267	106,901	2,906	2,056
177,618 to 227,618	2.9%	201,755	4,408	433	1,100	3,176	9,600	3,819	1,404	0	0	6,100	12,427	17,343	4,005	0	57,875	137,939	3,880	2,653
227,618 to 327,618	2.6%	267,728	4,408	433	1,100	3,176	9,600	3,819	8,274	1,838	0	6,100	12,427	17,343	23,137	0	85,715	176,073	5,149	3,386
327,618 to 427,618	0.7%	369,021	4,408	433	1,100	3,176	9,600	3,819	8,274	16,019	0	6,100	12,427	17,343	23,484	33,031	133,274	229,806	7,097	4,419
427,618 to 527,618	0.1%	470,314	4,408	433	1,100	3,176	9,600	3,819	8,274	17,822	13,262	6,100	12,427	17,343	23,484	66,458	181,766	282,607	9,044	5,435
over 527,618	0.0%	595,106	4,408	433	1,100	3,176	9,600	3,819	8,274	17,822	31,981	6,100	12,427	17,343	23,484	107,639	241,666	347,499	11,444	6,683
over 109,755	19.0%	178,200	4,408	433	1,100	3,176	9,600	2,289	0	0	0	6,100	12,427	14,809	0	0	48,402	123,858	3,427	2,382
A. Higher Limits Offered		127,618	4,408	433	1,100	3,176	6,449	0	0	0	0	6,100	12,427	1,658	0	0	29,811	91,867	2,454	1,767
		177,618	4,408	433	1,100	3,176	9,600	2,219	0	0	0	6,100	12,427	14,658	0	0	48,180	123,497	3,416	2,375
		227,618	4,408	433	1,100	3,176	9,600	3,819	4,767	0	0	6,100	12,427	17,343	11,505	0	68,737	152,940	4,377	2,941
		327,618	4,408	433	1,100	3,176	9,600	3,819	8,274	10,222	0	6,100	12,427	17,343	23,484	19,368	113,815	207,862	6,300	3,997
		427,618	4,408	433	1,100	3,176	9,600	3,819	8,274	17,822	6,858	6,100	12,427	17,343	23,484	52,368	161,272	260,405	8,223	5,008
		527,618	4,408	433	1,100	3,176	9,600	3,819	8,274	17,822	21,858	6,100	12,427	17,343	23,484	85,368	209,272	312,405	10,146	6,008

Notes
(2) & (3) Based on an exponential decay model.

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Income Replacement Increased Limit Factors
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Exhibit CF-1.3.3	(2) / (2), total	Exhibit CF-1.3.3	Exhibit CF-1.3.3	A.1 * (5)	A.3 * MIN((5), A.4 / 52)	MAX((7) - (6),0)
						No Group LTD Plan	With Group Disability Plan
	Informed Choice Model: Unconditional Distribution of Insureds Electing Limit	Informed Choice Model: Conditional Distribution of Insureds Electing Limit	Average Gross Weekly Income	Average Net Weekly Income	Weekly Benefits from Collateral Source (Group Long-Term Disability (LTD)) Plan	Weekly Indemnity Benefit	Weekly Indemnity Benefit after Group Disability Plan Payments
Gross Income Level Adjusted to 2028							
127,618 to 177,618	7.7%	54.6%	2,906	2,056	1,233	1,850	617
177,618 to 227,618	2.9%	20.6%	3,880	2,653	1,592	2,137	546
227,618 to 327,618	2.6%	18.5%	5,149	3,386	2,032	2,137	106
327,618 to 427,618	0.7%	5.2%	7,097	4,419	2,652	2,137	0
427,618 to 527,618	0.1%	1.0%	9,044	5,435	3,261	2,137	0
over 527,618	0.0%	0.2%	11,444	6,683	4,010	2,137	0
Total	14.1%	100.0%	3,816	2,590	1,554	1,981	469
A.1 Percentage of net income long term disability covers					60%		Selected based on Government of Canada website (long-term disability)
A.2 Percentage of disability plans where Auto policy will be 1st payer					50%		See Note
A.2.1 ICBC 2021 RRA Assumption (Based on judgment)					50%		Current AB auto policy is 2nd payer
A.2.2 Selected Percentage of disability plans where Auto policy will be 1st payer					90%		Care-First benefits
A.3 Percentage of net income covered by plan benefits					177,618		
A.4 Gross Income Limit Purchased					123,497		Exhibit CF-1.3.3, Net Income at A.4.
A.5 Maximum Net Income covered by plan benefits							
B.1 Employed Population (September, 2024)					2,510		Exhibit CF-5.2, Table: 14-10-0287-03
B.2 Number of Individuals with Disability Plan					1,800		Exhibit CF-5.2, CLHIA 2024 Provincial Data Appendix (https://www.chia.ca/facts)
B.3 Percent of Employed Individuals with Disability Plan					71.7%		B.2 / B.1
C.1 Employed Population (September, 2025)					2,606		Table: 14-10-0287-03
C.2 Total Population (September 2025)					4,077		Table: 14-10-0287-03
C.3 Employment Rate					63.9%		C.1 / C.2
			(9)	(10)	(11)	(12)	
			Proportion of Employed Claimants	Propensity Factor	Renormalized Distribution of Employed Claimants	Severity Net of Collateral Benefits	
Employed Claimants without Group Disability Plan			28.3%	90.0%	39.2%	1,981	per (7)
Employed Claimants with Group Disability Plan, Auto Ins. is 1st payer			35.9%	75.0%	41.4%	1,981	per (7)
Employed Claimants with Group Disability Plan, Auto Ins. is 2nd payer			35.9%	35.0%	19.3%	469	per (8)
Total			100.0%			1,688	
D. Base Severity, Net of Collateral Benefits					558		Exhibit CF-5.2
Top-Up Limit	127,618		177,618	227,618	327,618	427,618	527,618
t. Weekly Severity for Individuals who Purchase Higher Limit		1,090	1,688	2,158	2,759	3,537	4,331
Earner Disability Income Increased Limit Factor			1.549	1.981	2.531	3.246	3.974

Notes

- (2),(3) We use an informed choice model where we assume individuals will only purchase a higher limit if their gross income is larger than the next highest limit.
A.1 Short-term disability benefits generally exceed long-term disability benefits. We select the long-term disability benefit to be conservative.
There may be a slight optimistic bias for claims that exceed the benefit period of employer disability plans.
A.2.1 Per page 229 of the 2021 ICBC RRA, "Group or other private plans may state they are second payer when coverage is available under no fault automobile insurance plans. Judgmentally assumed to be the case 50% of the time."

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Private Passengers Vehicles
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Bodily Injury: Excess of Care-First Disability Income Limits Severity
Data as of 12/31/2024

(1)	(2) Exhibit CF-1.3.3	(3) (2) / (2), total	(4) Exhibit CF-1.3.3	(5) Exhibit CF-1.3.3	(6) A.1 * (5)	(7) A.3 * (5)	(8) MAX((7) - (6),0)		
Gross Income Level Adjusted to 2028	Unconditional Distribution of Insureds with Incomes Exceeding Care-First Benefits		Conditional Distribution of Insureds with Incomes Exceeding Care-First Benefits		Weekly Benefits from Collateral Source (Long-Term Disability) Plan		Weekly Indemnity Benefit		
	to	Benefits	to	Benefits	Average Gross Weekly Income	Average Net Weekly Income	With Group Disability Plan		
127,618	to	177,618	7.7%	54.6%	2,906	2,056	1,233	1,850	617
177,618	to	227,618	2.9%	20.6%	3,880	2,653	1,592	2,387	796
227,618	to	327,618	2.6%	18.5%	5,149	3,386	2,032	3,047	1,016
327,618	to	427,618	0.7%	5.2%	7,097	4,419	2,652	3,977	1,326
427,618	to	527,618	0.1%	1.0%	9,044	5,435	3,261	4,891	1,630
over 527,618			0.0%	0.2%	11,444	6,683	4,010	6,014	2,005
Total			14.1%	100.0%	3,816	2,590	1,554	2,331	777

A.1 Percentage of net income long term disability covers 60% Selected based on Government of Canada website (long-term disability)
A.2 Percentage of disability plans where Auto policy will be 1st payer 50% See Note
A.2.1 ICBC 2021 RRA Assumption (Based on judgment)
A.2.2 Selected Percentage of disability plans where Auto policy will be 1st payer 50% Current AB auto policy is 2nd payer
A.3 Percentage of net income covered by plan benefits 90% Care-First benefits
A.4 Gross Income Limit Purchased Unlimited
A.5 Maximum Net Income covered by plan benefits Unlimited

B.1 Employed Population (September, 2024) 2,510 Table: 14-10-0287-03
B.2 Number of Individuals with Disability Plan 1,800 CLHIA 2024 Provincial Data Appendix (<https://www.dhia.ca/facts>)
B.3 Percent of Employed Individuals with Disability Plan 71.7% B.2 / B.1
C.1 Employed Population (September, 2025) 2,606 Table: 14-10-0287-03
C.2 Total Population (September 2025) 4,077 Table: 14-10-0287-03
C.3 Employment Rate 63.9% C.1 / C.2

	(9) Proportion of Employed Claimants	(10) Severity Net of Collateral Benefits	
Employed Claimants without Group Disability Plan	28.3%	2,331	(9) per B.3.,(10) per (7)
Employed Claimants with Group Disability Plan, Auto Ins. is 1st payer	35.9%	2,331	(9) per A.2.2. and B.3.,(10) per (7)
Employed Claimants with Group Disability Plan, Auto Ins. is 2nd payer	35.9%	777	(9) per B.3.,(10) per (8)
Total	100.0%	1,773	

Notes

- A.1 Short-term disability benefits generally exceed long-term disability benefits. We select the long-term disability benefit to be conservative. There may be a slight optimistic bias for claims that exceed the benefit period of employer disability plans.
A.2.1 Per page 229 of the 2021 ICBC RRA, "Group or other private plans may state they are second payer when coverage is available under no fault automobile insurance plans. Judgmentally assumed to be the case 50% of the time."

Province of Alberta
Private Passengers Vehicles
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Bodily Injury: Excess of Care-First Disability Income Limits Loss Cost

	(1)	(2)	
A. Estimated Percent of Population with Gross Income Greater than 130,277.....	14.1%		per Exhibit CF-1.3.3 column (2)
B. Care-First Income Replacement & Other Monetary Benefits Estimated Claimant Frequency.....	2.4		Exhibit CF-10.1
C.1. Current Product Earner DI Claim Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level.....	1.2		Exhibit CF-2.3
C.2. ICBC Claimant/Claim Factor.....	1.12		Exhibit CF-10.1
C.3. Tort to No-Fault Frequency Adjustment Factor	1.75		Exhibit CF-2.7
C.4. Attributable to class expansion (points).....	0.65		Selected, See Note
C.5. Attributable to benefit changes (as a factor).....	1.10		C.3. - C.4
C.6. Care-First Earner DI Alberta Claimant Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level.....	1.5		C.1. * C.2. * C.5
D. Care-First Income Replacement & Other Monetary Benefits Final Loss Cost.....	268.58		Exhibit CF-10.3
E. Income Replacement Loss Cost Attributable to Earners.....	85%		See Note
F. Income Replacement & Other Monetary Benefits Earner Claimant Severity.....	149,654		(D. * E.) / (C.6) * 1000
Benefits Limited to Care-First Limits			
G. Estimated Weekly Severity for Individuals with Gross Income Greater than 130,277.....	1,090		per Exhibit CF-1.4.1.D. for a 130,277 limit
H. Estimated Overall Weekly Severity (Limited to Care-First Limits).....	558		Exhibit CF-5.2
I. Severity Relativity for Individuals with Income Greater than 130,277.....	1.952		G. / H.
J. Estimated Severity for Individuals with Gross Income Greater than 130,277.....	292,191		F. * I.
Unlimited Benefits			
K. Estimated Weekly Severity for Individuals with Gross Income Greater than 130,277.....	1,773		Exhibit CF-1.5.1
L. Estimated Overall Weekly Severity (Limited to Care-First Limits).....	558		Exhibit CF-5.2
M. Severity Relativity for Individuals with Income Greater than 130,277.....	3.178		K. / L.
N. Estimated Severity for Individuals with Gross Income Greater than 130,277.....	475,541		F. * M.
O. Estimated Excess Severity for Individuals with Income Greater than 130,277.....	183,350		N. - J.
P. Estimated Excess Loss Cost for Individuals with Gross Income Greater than 130,277.....	39.40		A. * C.6 * O. / 1000
Q. Percentage of Insurers offering Top-Up Disability Income Benefits.....	90.0%		based on Superintendent Survey
R. BI Loss Cost: Excess Disability Income.....	3.94		P. * (1 - Q.)

Notes

- C.4 We expect most of the increase resulting from the transition to no-fault in the AB model (per Exhibit CF-2.7)
- C.5 is due to additional classes (e.g., students and caregivers) being eligible to receive benefits. However, we expect there may be a slight increase to the earner frequency due to the more generous benefits.
- E. GISA Exhibit 7001 for Ontario includes accident benefits losses by loss code for Accident Benefits. We recognize the benefits in Ontario differ than the Care-First benefit however, we consider the split in Ontario to be a reasonable starting point. Below, we present our loss cost estimates for earner disability income and total disability income from our May 17, 2025 Accident Benefits Reform Costing Report.
- | | | |
|------------------------------------|-------|--|
| Earner Disability Income Loss Cost | 53.81 | |
| Total Disability Income Loss Cost | 63.07 | |
| Ratio | 85% | |
| Selected | 85% | |
- As a reasonability check on our assumptions, we consider the following implications and comparisons:
- | | | |
|--|--------|------------------------|
| Implied Care-First Non earner Frequency (per 1,000 vehicles) | 0.90 | B. * C.6 |
| Implied Care-First Non-Earner Loss Cost | 40.29 | D.* (1 - E.) |
| Implied Care-First Non-Earner Severity | 44,693 | Freq * 1000 * Severity |
- | | | |
|--|---------|-----------------------------|
| Current Product - Earner Severity | 30,320 | |
| Higher Earner Severity | 292,191 | J. |
| Higher Earner Frequency | 0.21 | A. * C.6 |
| Proportion of Income Replacement & Other Monetary Benefits Loss Cost for Individuals with income > \$130,2 | 23% | Freq * 1000 * Severity / D. |
- Reasonability check on implication: The 14% highest earners make up 23% of disability income costs
- Q. Individuals will only be eligible to sue for the portion of income above the Care-First limits.
- Q. Our selection considers situations where an individual purchases top-up coverage that is insufficient to cover their entire gross income. We assume in these situations, these individuals would be eligible to sue for the amount of income above the top-up limit.

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**Bodily Injury: Costs Excess of Care-First Personal Care Assistance Limits
Data as of 12/31/2024**

	(1)	(2)	
A.	Health care and Related Expenses Final Selected Claimant Frequency	11.2	Exhibit CF-10.1
B.	Proportion of Health care and Related Expenses claims involving personal care assistance	25%	See Note
C.1	Personal Care Assistance Benefit Limit (Non-Catastrophic)	5,671 per month	Intentions Paper
C.2	Personal Care Assistance Benefit Limit (Catastrophic)	6,781 per month	
D.	Personal Care Assistance Severity Relativity for Events Causing Out-of-Pocket Expenses	3.0	See Note
E.	Percent of Personal Care Assistance Claims Requiring Around the Clock Care	0.041%	See Note
F.	Frequency of Personal Care Assistance Claims Requiring Around the Clock Care	0.00116	A. * B. * E.
G.	Monthly Benefit of Personal Care Assistance Claims Requiring Around the Clock Care	20,343	C.2 * D.
H.	Average Number of Months Requiring Around the Clock Personal Care Assistance	120	Selected
J.	BI Loss Cost: Excess Out-of-Pocket Expenses for Personal Care Assistance	1.89	F. * (G. - C.2) * H. / 1000

Notes

- B. Selected conservatively
- D. We assume the Care-First benefit covers care for 8 hours per day.
To be conservative, we assume any claimant who would need more than 8 hours per day would require 24-hour care.
- E. In the 2026 MPI GRA, Part XI - EAR Appendix 2 presents historical claims by injury type.
We assume injuries involving amputation, quadriplegic, and paraplegic would require attendant care beyond the Care-First limits.

Injury Type	Total Injury Counts from 14/15 to 24/25
Amputation	46
Burns	114
Dental	365
Internal Injury	157
Psychological	1,714
Sensory Loss	458
Fatal - Note 1	1,280
Brain Damage	1,546
Quadriplegic	5
Paraplegic	14
Broken Bones	8,305
Sprains & Strains	73,284
Whiplash	51,913
Bruising & Lacerations	9,635
Other	8,526
Total	157,362

- H. Selected conservatively

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Bodily Injury: Costs Excess of Care-First Funeral Limits
Data as of 12/31/2024

	(1)	(2)	
A. Death Benefits and Related Expenses Final Selected Claimant Frequency		0.13	Exhibit CF-10.1
B. Percent of Funerals with Costs Above Care-First Limit		40%	See Note
C. Estimated Average Total Cost for Funerals that Exceed Care-First Limit		17,500	See Note
D. Care-First Funeral Limit		10,308	Intentions Paper
E. Average Excess Funeral Costs		7,192	C. - D.
F. BI Loss Costs: Excess Out-of-Pocket Expenses for Funerals		0.36	A. * B. * E. / 1000

Notes:

- B., C. Selected conservatively after reviewing
<https://canadianfunerals.com/funeral-guide/alberta/>
<https://www.canadianlic.com/blog/how-much-does-a-funeral-cost-in-canada/>
<https://www.calgaryfuneralhomes.com/prices.html> (accessed 8 January 2026)

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**Bodily Injury: Costs Excess of Care-First Grief Counseling Limits
Data as of 12/31/2024**

	(1)	(2)	
A.	Death Benefits and Related Expenses Final Selected Claimant Frequency	0.13	Exhibit CF-10.1
B.	Percent of Claims with Grief Counseling Costs Above Care-First Limit	10%	See Note
C.	Estimated Average Total Cost for Grief Counseling that Exceeds Care-First Limit	5,000	See Note
D.	Care-First Grief Counseling Limit	4,310	Intentions Paper
E.	Average Excess Grief Counseling Costs	690	C. - D.
F.	BI Loss Cost: Excess Out-of-Pocket Expenses for Grief Counseling Limits	0.01	A. * B. * E. / 1000

Notes:

- B., C. Selected conservatively after reviewing
<https://www.bark.com/en/us/bereavement-counselling/how-much-does-grief-counseling-cost/> (Accessed 8 January 2026)

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Bodily Injury: Costs Excess of Care-First Family Enterprise Limits
Data as of 12/31/2024

	(1)	(2)	
A. Income Replacement & Other Monetary Benefits Final Selected Claimant Frequency		2.4	Exhibit CF-10.1
B. Proportion of Income Replacement & Other Monetary Benefits claims involving Family Enterprise		7.5%	See Note
C. Family Enterprise Benefit Limit		\$944 per week for 180 days	Intentions Paper
D. Scenarios for tort claims	Scenario Distribution	Rate	Duration (weeks)
Costs covered by Care-First	80.0%	944	25.7
Only need help for < 180 days, but must hire for more than \$944 per week	6.7%	1,500	25.7
Need help for > 180 days but can hire for less than \$944 per week	6.7%	944	52.0
Need help for > 180 days and must hire for more than \$944 per week	6.7%	1,500	52.0
	100.0%		6,189
E. BI Loss Cost: Excess of Care-First Family Enterprise Limits		1.13	A. * B. * D. / 1000

Notes:

- B. Provides coverage when a claimant was working in a family business, without pay, but now needs to hire a replacement, this benefit will provide compensation.
We assume that this would generally involve an individual between ages 15 and 24
Selected conservatively after reviewing
Table 17-10-0005-01 Population estimates on July 1, by age and gender (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501>, accessed 9 January 2026)
- | Age | Count | Distribution |
|------------------|-----------|--------------|
| 15 to 19 | 307,410 | 6.1% |
| 20 to 24 | 324,827 | 6.5% |
| Total Population | 5,029,346 | |
- D. Scenario Distribution, Rate and Duration selected conservatively
Rate Considers Alberta Industrial Average Wage of 1,369

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Bodily Injury: Costs Excess of Care-First Family Enterprise Limits
Data as of 12/31/2024

	(1)	(2)	(3)
A. Estimated 2027 Earned Vehicles		3,140,668	Exhibit CP-2.2
B. Estimated Percent of Population with Family Enterprise	7.5%		Exhibit CF-1.9
C. People with FE		235,550	A * B.
D. Estimated Percent of Family Enterprises with Costs Greater than Care-First Limits	20.0%		per Exhibit CF-1.9 D.
E. People with FE more expensive than CF Limit		47,110	C * D.
F. Income Replacement & Other Monetary Benefits Final Selected Claimant Frequency		2.4	Exhibit CF-10.1
G. People Filing FE Claim		572	C * F. / 1000
H. People Filing Excess FE Claim		114	E * F. / 1000
I. Excess Severity for Claims Excess of Care-First Limits		30,946	per Exhibit CF-1.9 D.
J. Perfect Informed Choice			
J.1 Total Excess Family Enterprise Claim Dollars		3,537,978	H * I.
J.2 Vehicles Purchasing Top-Up		47,110	E.
J.3 Top-Up Loss Cost		75.10	I.1 / J.2
K. 100% Takeup			
K.1 Total Excess Family Enterprise Claim Dollars		3,537,978	H * I. See Note
K.2 Vehicles Purchasing Top-Up		3,140,668	A.
K.3 Top-Up Loss Cost		1.13	K.1 / K.2

L. Sensitivity Test Assumptions			
L.1	Error Rate	Take-Up Rate	Error Rate for Individuals Needing Excess Coverage
	1.50%	100%	10%
			0%

(4)	(5)	(6)	(7)	(8)	(9)
Take-Up Rate	Error Rate	Excess Family Enterprise Claim Dollars	Vehicles Purchasing Top-Up	Top-Up Loss Cost	Top-Up Required Premium
	interpolated per L.1	(1 - (5)) * J.1	(4) * A.	(6) / (7)	See Note
1.50%	10.0%	3,184,180	47,110	67.59	83.99
5%	9.6%	3,196,752	157,033	20.36	25.30
10%	9.1%	3,214,711	314,067	10.24	12.72
15%	8.6%	3,232,671	471,100	6.86	8.53
20%	8.1%	3,250,630	628,134	5.18	6.43
25%	7.6%	3,268,589	785,167	4.16	5.17
30%	7.1%	3,286,548	942,200	3.49	4.33
35%	6.6%	3,304,508	1,099,234	3.01	3.74
40%	6.1%	3,322,467	1,256,267	2.64	3.29
45%	5.6%	3,340,426	1,413,301	2.36	2.94
50%	5.1%	3,358,386	1,570,334	2.14	2.66
55%	4.6%	3,376,345	1,727,367	1.95	2.43
60%	4.1%	3,394,304	1,884,401	1.80	2.24
65%	3.6%	3,412,263	2,041,434	1.67	2.08
70%	3.0%	3,430,223	2,198,467	1.56	1.94
75%	2.5%	3,448,182	2,355,501	1.46	1.82
80%	2.0%	3,466,141	2,512,534	1.38	1.71
85%	1.5%	3,484,100	2,669,568	1.31	1.62
90%	1.0%	3,502,060	2,826,601	1.24	1.54
95%	0.5%	3,520,019	2,983,634	1.18	1.47
100%	0.0%	3,537,978	3,140,668	1.13	1.40

Notes

- J.1 Although more people are purchasing the top-up in this scenario, it does not add more dollars than to the perfect informed choice scenario. This is because in the perfect informed choice scenario, all individuals who could possibly use the top up already purchase it. So in the 100% take-up scenario, the only additional individuals purchasing the top-up are people who will not use it.
- L.1 We want to recognize some individuals will make the incorrect decision when purchasing top-up. There may be individuals who would have a family enterprise claim in excess of the Care-First limit, however they do not purchase the top-up. Also, there may be individuals who believe they need excess family enterprise coverage but do not have costs excess of the Care-First limits. Finally, there may be individuals who purchase the Section 2&5 top-up for a benefit other than family enterprise. We also want to recognize the fact that the more people who purchase the top-up coverage, the more likely it is that those who need excess coverage actually purchase the top-up.
- (9) Loss cost multiplier for Division 2 & 5 is calculated using the combined LCM for Health care and Related Expenses and Death Benefits and Related Expenses.

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Modeling Assumption for Legal Fees
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)
	MNP System Cost Analysis for IBC			
	Total Claim Cost	Fees Earned by Claimant Lawyers	Payments for costs of expert witness reports and other legal expenses	Total Legal Fees
IBC	119,600	32,340	7,000	39,340
		Implied Percent of Total Claim Cost		32.9%
		Selected Percent of Total Claim Cost		20.0%

Notes:
Link to Study <https://betterautoalberta.ca/wp-content/uploads/2025/04/IBC-System-Cost-Report-September-2023.pdf>

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Bodily Injury - Selected Loss Cost
Data as of 12/31/2024

(1)	(2)	(3)
Basis of Tort Claim	Loss Cost per Vehicle	Reference
Out of Province Claims	20.37	Exhibit CF-1.1.2
Excess Disability Income	3.94	Exhibit CF-1.5.2
Excess Out-of-Pocket Expenses for Personal Care Assistance	1.89	Exhibit CF-1.6
Excess Out-of-Pocket Expenses for Funerals	0.36	Exhibit CF-1.7
Excess Out-of-Pocket Expenses for Grief Counseling Limits	0.01	Exhibit CF-1.8
Excess of Care-First Family Enterprise Limits	1.13	Exhibit CF-1.9
Total Bodily Injury Loss Cost	27.69	
Selected Bodily Injury Loss Cost	35.00	
Frictional Cost Factor	1.20	Exhibit CF-1.11
Final Bodily Injury Loss Cost Including Frictional Costs	42.00	

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Indicated Top-Up Loss Costs
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Endorsement	Top-Up Limit	Loss Cost per Vehicle	Increased Limit Factor	Top-Up Loss Cost	Reference	Exhibit CF-12 Loss Cost Multiplier	(5) * (7) Estimated Required Premium
Division 3							
If an insurer choose to offer top-up for division 3 - income replacement and other monetary benefits, they must offer additional \$50,000, \$100,000, and \$200,000 added to the maximum yearly insurable income. Insurers may also choose to offer an amount greater than \$200,000.							
Earners Disability Income		445.72			Exhibit CF-1.5.2; D. * E. * G. / H.		
	Additional \$50,000	690.55	1.55	244.83	See Note	1.08	263.98
	Additional \$100,000	882.87	1.98	437.15	See Note	1.08	471.36
	Additional \$200,000	1,128.33	2.53	682.61	See Note	1.08	736.03
	Additional \$300,000	1,446.79	3.25	1,001.07	See Note	1.08	1,079.41
	Additional \$400,000	1,771.36	3.97	1,325.64	See Note	1.08	1,429.38
Division 2 and 5							
If an insurer choose to offer top-up for division 2 - health care and related expenses and division 5 - death benefits and related expenses, they must offer an additional \$100,000 for non-catastrophic injuries and an additional \$250,000 for catastrophic injuries. The additional limit applies to any one or combination of the benefits in Divisions 2 and 5. These benefits include daily living assistance expenses, transportation, lodging, and other expenses, expenses for care of the person, expenses respecting family enterprise, and funeral and interment expenses.							
Personal Care Assistance				1.89	Exhibit CF-1.12	1.24	2.35
Funerals				0.36	Exhibit CF-1.12	1.24	0.45
		Top-Up Loss Cost	Top-Up Loss Cost	Top-Up Loss Cost			
		Assumed Take-Up Rate:	Assumed Take-Up Rate:	Selected Take-Up Rate:			
		1.50%	100.00%	25.00%			
Family-Enterprise		75.10	1.13	4.16	Exhibit CF-1.10	1.24	5.17
		Division 2 and 5 Top Up Loss Cost		6.41			7.97

Notes

- (5) For Earners Disability Income: (3) per Exhibit CF-1.5.2, Base Loss Cost * (4); (4) per Exhibit CF-1.4.1; (5) per (3)
Family enterprise top-up loss cost reflects informed choice model. Informed choice model is shown on Exhibit CF-1.10.
- (7) Loss cost multiplier for Division 3 is calculated using the LCM for Income Replacement & Other Monetary Benefits.
Loss cost multiplier for Division 2 & 5 is calculated using the combined LCM for Health care and Related Expenses and Death Benefits and Related Expenses.

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Accident Benefits - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	GISA Report AUTO7001	Based on Oliver Wyman Analysis/Assumption underlying 2025 Annual Review				(5) + (6)	Based on Oliver Wyman Analysis/Assumption underlying 2025 Annual Review		(8) + (9)	(3) / (2) * 1000	(4) / (2) * 1000	(7) / (2) * 1000	(10) / (2) * 1000
Alberta Ultimate Claim Counts										Alberta Frequency (per 1,000 Vehicles)			
Accident Year	Earned Vehicles	Medical Expenses	Income Replacement	Death Benefits	Funeral	Funeral and Death Benefits	Excess	Uninsured	Excess and Uninsured	Medical Expenses	Income Replacement	Funeral and Death Benefits	Excess and Uninsured
2015	2,649,234	26,638	2,849	97	166	263	0	17	17	10.1	1.1	0.1	0.0
2016	2,677,477	26,519	2,821	102	164	266	2	11	13	9.9	1.1	0.1	0.0
2017	2,695,016	27,895	3,072	81	136	217	0	7	7	10.4	1.1	0.1	0.0
2018	2,750,311	28,227	3,063	88	157	245	2	13	15	10.3	1.1	0.1	0.0
2019	2,782,955	28,657	3,147	73	129	202	2	8	10	10.3	1.1	0.1	0.0
2020	2,780,403	18,771	2,254	64	109	173	2	8	10	6.8	0.8	0.1	0.0
2021	2,807,642	21,482	2,829	77	127	204	0	7	7	7.7	1.0	0.1	0.0
2022	2,834,558	25,156	3,259	65	140	205	0	12	12	8.9	1.1	0.1	0.0
2023	2,895,587	26,076	3,412	67	131	198	2	2	4	9.0	1.2	0.1	0.0
2024	2,993,746	29,285	3,932	64	131	195	23	7	29	9.8	1.3	0.1	0.0

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Accident Benefits Medical Expenses - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Exhibit CF-2.1			Oliver Wyman 2025 Annual Review				(2) * (6) * (7) * (8)	Selected	MPI 2026 GRA Appendix 2a Table 1
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2/Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights	Manitoba Ultimate Accident Benefits - Other (Indexed) Frequency (per 1000 Vehicles)
2015	10.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	9.52	0%	13.59
2016	9.9	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	9.38	0%	13.66
2017	10.4	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	9.80	0%	13.60
2018	10.3	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	9.72	0%	12.96
2019	10.3	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	9.75	0%	11.57
2020	6.8	0.0%	0.0%	10/29/2020	1.000	1.413	0.947	9.04	20%	8.26
2021	7.7	0.0%	0.0%	10/29/2020	1.000	1.417	0.947	10.27	20%	8.69
2022	8.9	0.0%	0.0%	10/29/2020	1.000	1.146	0.947	9.63	20%	8.54
2023	9.0	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	9.01	20%	8.21
2024	9.8	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	9.78	20%	9.82
Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level								9.55		
								Sum [(9) x (10)]		

Accident Benefits Medical Expenses - Tort to No-Fault Frequency Adjustment Factor

		Alberta		Manitoba	
A	Unadjusted Frequency (per 1,000 Vehicles)	8.4	Sum [(2) x (10)]	8.7	Sum [(10) x (11)]
B	ICBC Claimant/Claim Factor	1.25	Exhibit CF-10.1		
C	Claimant Frequency (per 1,000 Vehicles)	10.5	A * B	8.7	A * B
D	Average Reported Collisions per 10,000 Drivers (per Collision Statistics Report) 2019 - 2022	338.6	See Note	529.5	See Note
E	Accident Benefits : Collision Ratio	3.1%	A * B / D.	1.6%	A. / D.
F	Indicated Torr(Alberta) : No-Fault (Manitoba) Frequency Adjustment Factor				
	Collision Adjusted	0.531	E., Manitoba / E., Alberta		
	Unadjusted	0.831	C., Manitoba / C., Alberta		

Notes

(7) Factor to adjust to pre-pandemic frequency levels

(8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

B GISA captures Alberta data by claim. See Chapter 4 of the GISA Statistical Plan at"
<https://gisassp.com/assets/data/GISASSPDocuments/AutomobileStatisticalPlanDataReportingRequirements-en.pdf>
MPI reports data by claimant.

D Alberta :
<https://open.alberta.ca/dataset/25020446-adfb-4b57-9aaa-751d13dab72d/resource/3c0e3c0c-a3f4-4fd8-8e37-f71b99d3fc1b/download/tec-alberta-collision-statistics-2023.pdf>
Alberta data includes "A vehicle collision, which resulted in death, injury or property damage greater than \$5,000.00." (See pdf 9/73)

Manitoba - <https://www.mpi.mb.ca/wp-content/uploads/TCSR2022.pdf>

Prior to a change in the Highway Traffic Account (which took effect in October of 2011), motor vehicle collisions resulting in a fatality, injury or property damage in excess of \$1,000 were required by law to be reported to a law enforcement agency. Subsequently, the law enforcement agency completed a Traffic Accident Report for the collision.

Amendments to the Highway Traffic Act (which received Royal Assent in June 2011 and took effect in October of 2011) changed the definition of a reportable collision to require a police report be made if the driver is aware, has reason to believe, or is later made aware, that a collision involves: a fatality; an injury requiring admittance to hospital for observation or treatment; another driver not having a valid driver's licence; another vehicle not validly registered; the driver of another vehicle not providing the required particulars; the driver of another vehicle not stopping at the scene of the accident; or, alcohol or another intoxicating substance as a factor in the accident.

As of October 2011, all accidents occurring on a public roadway where the above conditions are not met are reported through the claim registration process with Manitoba Public Insurance.

As of 2012 and consistent with other jurisdictions in Canada, it is a requirement that a minimum of **\$2,000 damage (all vehicles combined) is necessary for property damage only (PDO) collisions** to be included in this report.

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Accident Benefits Income Replacement - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Exhibit CF-2.1			Oliver Wyman 2025 Annual Review				(2) * (6) * (7) * (8)	Selected	MPI 2026 GRA Appendix 2a Table 1
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2/Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights	Manitoba Ultimate Accident Benefits - Weekly Indemnity Frequency (per 1000 Vehicles)
2015	1.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	1.02	0%	2.09
2016	1.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	1.00	0%	2.11
2017	1.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	1.08	0%	2.19
2018	1.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	1.05	0%	2.17
2019	1.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	1.07	0%	2.02
2020	0.8	0.0%	0.0%	10/29/2020	1.000	1.413	0.947	1.09	20%	1.57
2021	1.0	0.0%	0.0%	10/29/2020	1.000	1.417	0.947	1.35	20%	1.77
2022	1.1	0.0%	0.0%	10/29/2020	1.000	1.146	0.947	1.25	20%	1.78
2023	1.2	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	1.18	20%	1.72
2024	1.3	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	1.31	20%	1.84

A. Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level 1.24
Sum [(9) x (10)]

Accident Benefits Income Replacement - Tort to No-Fault Frequency Adjustment Factor

		Alberta		Manitoba	
A	Unadjusted Frequency (per 1,000 Vehicles)	1.1	Sum [(2) x (10)]	1.7	Sum [(10) x (11)]
B	ICBC Claimant/Claim Factor	1.12	Exhibit CF-10.1		
C.1	Claimant Frequency (per 1,000 Vehicles)	1.2	A * B	1.7	A * B
C.2	Second Payer Adjustment			64.1%	per Exhibit CF-5.2 (8)
C.3	Second Payer Claimant Frequency (per 1,000 Vehicles)			1.1	C.1 * C.2
D	Average Reported Collisions per 10,000 Drivers (per Collision Statistics Report) 2019 - 2022	338.6	See Note	529.5	See Note
E	Accident Benefits : Collision Ratio	0.362%	A. * B / D.	0.328%	A. / D.
F	Indicated Torr(Alberta) : No-Fault (Manitoba) Frequency Adjustment Factor				
	Collision Adjusted	0.906	E., Manitoba / E., Alberta		
	Unadjusted (Raw)	1.417	C.1., Manitoba / C.1., Alberta		
	Adjusted Second Payer	0.909	C.3., Manitoba / C.3., Alberta		

Notes

- (7) Factor to adjust to pre-pandemic frequency levels
(8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels
B GISA captures Alberta data by claim.
See Chapter 4 of the GISA Statistical Plan at <https://gisassp.com/assets/data/GISASSPDocuments/AutomobileStatisticalPlanDataReportingRequirements-en.pdf>
MPI reports data by claimant.
D Alberta - <https://open.alberta.ca/dataset/25020446-adfb-4b57-9aaa-751d13dab72d/resource/3c0e3c0c-a3f4-4fd8-8e37-f71b99d3fc1b/download/tec-alberta-collision-statistics-2023.pdf>
Alberta data includes "A vehicle collision, which resulted in death, injury or property damage greater than \$5,000.00." (See pdf 9/73)
Manitoba - <https://www.mpi.mb.ca/wp-content/uploads/TCSR2022.pdf>
Prior to a change in the Highway Traffic Account (which took effect in October of 2011), motor vehicle collisions resulting in a fatality, injury or property damage in excess of \$1,000 were Amendments to the Highway Traffic Act (which received Royal Assent in June 2011 and took effect in October of 2011) changed the definition of a reportable collision to require a police As of October 2011, all accidents occurring on a public roadway where the above conditions are not met are reported through the claim registration process with Manitoba Public As of 2012 and consistent with other jurisdictions in Canada, it is a requirement that a minimum of **\$2,000 damage (all vehicles combined) is necessary for property damage only (PDO)**

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Accident Benefits Funeral and Death Benefits - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Exhibit CF-2.1			Oliver Wyman 2025 Annual Review				(2) * (6) * (7) * (8)	Selected	MPI 2026 GRA Appendix 2a Table 1
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2 Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights	Manitoba Ultimate Accident Benefits - Other (Non- Indexed) Frequency (per 1000 Vehicles)
2015	0.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.09	0%	1.44
2016	0.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.09	0%	1.53
2017	0.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.08	0%	1.48
2018	0.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.08	0%	1.30
2019	0.1	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.07	0%	1.19
2020	0.1	0.0%	0.0%	10/29/2020	1.000	1.413	0.947	0.08	20%	1.06
2021	0.1	0.0%	0.0%	10/29/2020	1.000	1.417	0.947	0.10	20%	1.02
2022	0.1	0.0%	0.0%	10/29/2020	1.000	1.146	0.947	0.08	20%	0.94
2023	0.1	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	0.07	20%	1.08
2024	0.1	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	0.07	20%	1.33
Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level								0.08		
								Sum [(9) x (10)]		

Accident Benefits Funeral and Death Benefits - Tort to No-Fault Frequency Adjustment Factor

	Alberta	Manitoba (P/I + F/D)
A Unadjusted Frequency (per 1,000 Vehicles)	0.07 Sum [(2) x (10)]	1.09 Sum [(10) x (11)]
B ICBC Claimant/Claim Factor	1.60 Exhibit CF-10.1	
C Selected (P/I + F/D) Frequency : F/D Frequency Factor		10.00 Exhibit CF-3
D F/D Claimant Frequency (per 1,000 Vehicles)	0.11	0.11
E Average Reported Collisions per 10,000 Drivers (per Collision Statistics Report) 2019 - 2022	338.6 See Note	529.5 See Note
F Accident Benefits : Collision Ratio	0.032% A. * B / E.	0.021% (A. / C) / E.
G Indicated Torr(Alberta) : No-Fault (Manitoba) Frequency Adjustment Factor		
Collision Adjusted	0.640 F., Manitoba / F., Alberta	
Unadjusted	1.000 D., Manitoba / D., Alberta	

Notes

- (7) Factor to adjust to pre-pandemic frequency levels
- (8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels
- B GISA captures Alberta data by claim. See Chapter 4 of the GISA Statistical Plan at <https://gisassp.com/assets/data/GISASSPDocuments/AutomobileStatisticalPlanDataReportingRequirementsMPIreportsdatabyclaimant>.
- E Alberta - <https://open.alberta.ca/dataset/25020446-adfb-4b57-9aaa-751d13dab72d/resource/3c0e3c0c-a3f4-4fd8-8e37-f71b99d3fc1b/download/tec-alberta-collision-statistics-2023.pdf>
Alberta data includes "A vehicle collision, which resulted in death, injury or property damage greater than \$5,000.00." (See pdf 9/73)
- Manitoba - <https://www.mpi.mb.ca/wp-content/uploads/TCSR2022.pdf>
Prior to a change in the Highway Traffic Account (which took effect in October of 2011), motor vehicle collisions resulting in a fatality, injury or property damage in excess of \$1,000 were Amendments to the Highway Traffic Act (which received Royal Assent in June 2011 and took effect in October of 2011) changed the definition of a reportable collision to require a police As of October 2011, all accidents occurring on a public roadway where the above conditions are not met are reported through the claim registration process with Manitoba Public As of 2012 and consistent with other jurisdictions in Canada, it is a requirement that a minimum of \$2,000 damage (all vehicles combined) is necessary for property damage only

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Accident Benefits Excess and Uninsured - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Exhibit CF-2.1			Oliver Wyman 2025 Annual Review				(2) * (6) * (7) * (8)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2 Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	0.0	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.006	0%
2016	0.0	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.005	0%
2017	0.0	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.003	0%
2018	0.0	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.005	0%
2019	0.0	0.0%	0.0%	10/29/2020	1.000	1.000	0.947	0.003	0%
2020	0.0	0.0%	0.0%	10/29/2020	1.000	1.413	0.947	0.005	20%
2021	0.0	0.0%	0.0%	10/29/2020	1.000	1.417	0.947	0.004	20%
2022	0.0	0.0%	0.0%	10/29/2020	1.000	1.146	0.947	0.004	20%
2023	0.0	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	0.001	20%
2024	0.0	0.0%	0.0%	10/29/2020	1.000	1.056	0.947	0.010	20%
Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level								0.005	
								Sum [(9) x (10)]	

Notes

- (7) Factor to adjust to pre-pandemic frequency levels
- (8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

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ICBC Tort to No-Fault Frequency Adjustment Factor

(1) Coverage	(2) Appendix C.1 ICBC 2021 RRA Frequency	(3) (2) / (2) BVDC Percent of BVDC	(4) 2021 RRA Frequency Trend	(5) Appendix C.0.1 ICBC 2023 RRA Frequency	(6) (5) / (5) BVDC Percent of BVDC	(7) $(5) / ((2) * (1 + (4))^{2})$ Raw Frequency Adjustment Factor	(8) $(6) / (3)$ Percent of BVDC Adjustment Factor
Medical Expenses	2.02%	54%	+0.0%	1.65%	45%	0.817	0.831
Income Replacement	0.13%	3%	+0.0%	0.25%	7%	1.923	1.957
Funeral and Death Benefits				0.02%	1%		
Permanent Impairment				0.17%	5%		
Permanent Impairment and Death Benefits	0.19%	5%	+0.0%	0.19%	5%	1.000	1.018
Normalizing Coverage: Basic Vehicle Damage Coverage (BVDC)	3.76%			3.69%			

Notes:

- (2) 2021 RRA assumptions are based on tort frequency; 2023 RRA based on no-fault frequency
For medical expenses, we remove the additional EAB claimants adjustment from the frequency forecast.
For income replacement, we remove the relative frequency adjustment from the frequency forecast.
- (7) & (8) Medical Expenses - reduction in frequency with the elimination of pain and suffering award via tort.
Income Replacement - more generous benefits under Enhanced Accident Benefits and more groups are eligible for income replacement benefits.

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Tort to No-Fault Frequency Adjustment Factor

(1)	(2) Exhibit CF-2.2 - Exhibit CF-2.4	(3) Exhibit CF-2.2 - Exhibit CF-2.4	(4) Exhibit CF-2.6	(5) Exhibit CF-2.6	(6) See Note	(7)
Coverage	Indicated Frequency Adjustment Factor					Selected
	MPI Collision Adjusted	MPI Unadjusted	ICBC: Raw Frequency	ICBC: Percent of BVDC	SIGI (Whiplash)	
Health care and Related Expenses	0.531	0.831	0.817	0.831	0.72	0.90
Income Replacement & Other Monetary Benefits Second Payer Adjusted	0.906	1.417 0.909	1.923	1.957		1.75
Death Benefits and Related Expenses	0.640	1.000	1.000	1.018		1.00
Bias	Low					

Notes

- (6) Effect of Eliminating Compensation for Pain and Suffering on the Outcome of Insurance Claims for Whiplash Injury (Cassidy et al. (2000))
<https://pubmed.ncbi.nlm.nih.gov/10770984/>
- (7) Medical Expenses: Comparison of MPI vs Current Alberta, pre- and post- reform ICBC, and in the Cassidy et al. (2000) study all point to a reduction in frequency with the elimination of pain and suffering award via tort.
Disability Income: Care-First's more generous benefits comparable to MPI and ICBC and more eligible groups expected to increase frequency Differences from MPI likely due to first-payer (MB) v second payer (current Alberta), which we expect will largely persist under Care-First (second-payer). Additionally, in the 2021 RRA, ICBC estimated the effect due to additional classes will increase frequency by 69.6%. Therefore, we selected principally based on the ICBC-based indications, with consideration to the initial ICBC expected increase.

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Accident Benefits: Funeral and Death v. Permanent Impairment
Data as of 12/31/2024

(1)	(2) Exhibit CF-2.1	(3) GISA Report AUTO7001	(4) (2) / (3) * 1000	(5) Exhibit CF-10.1	(6) (4) * (5)	(7) MPI 2026 GRA	(8) (7) / (6)
	Alberta					Manitoba	
Accident Year	Death Benefits + Funeral Claim Counts	Earned Cars	Death Benefits + Funeral Frequency (per 1,000 Vehicles)	ICBC Claimant/Claim Factor	Death Benefits + Funeral Claimant Freequency (per 1,000 Vehicles)	Permanent Impairment + Death Benefits + Funeral Frequency (per 1,000 Vehicles)	(P/I + F/D) Frequency : F/D Frequency
2015	263	2,649,234	0.10	1.60	0.159		
2016	266	2,677,477	0.10	1.60	0.159	1.527	9.622
2017	217	2,695,016	0.08	1.60	0.129	1.475	11.471
2018	245	2,750,311	0.09	1.60	0.142	1.297	9.114
2019	202	2,782,955	0.07	1.60	0.116	1.191	10.271
2020	173	2,780,403	0.06	1.60	0.099	1.064	10.707
2021	204	2,807,642	0.07	1.60	0.116	1.024	8.822
2022	205	2,834,558	0.07	1.60	0.115	0.942	8.170
2023	198	2,895,587	0.07	1.60	0.109	1.081	9.876
2024	195	2,993,746	0.07	1.60	0.104	1.334	12.803

A. Ratios based on MB and AB Data
Average

Pre-Pandemic (2016 - 2019)	10.119
In-Pandemic (2020 - 2022)	9.233
Post-Pandemic (Excl. 2024)	9.876

B. Ratios based on ICBC 2023 RRA

PY 2023 Rates summarized on Appendix C.0.1

ICBC Permanent Impairment Frequency (Catastrophe Claims Only)	0.17%
ICBC Funeral & Death Benefit Frequency	0.02%
ICBC (P/I + F/D) Frequency : F/D Frequency	9.500

C. Selected (P/I + F/D) Frequency : F/D Frequency Factor 10.000

D. Selected Accident Benefits Death Benefits Frequency
Exhibit CF-2.4 0.08

E. Selected Permanent Impairment Frequency
(C - 1) * D 0.71

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Accident Benefits - Manitoba Severity at 2028 Cost Level

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	MPI 2026 GRA Part VII Claims Forecasting Appendix 3			EXP((4) + (3) * (-2.25))	MPI 2026 GRA Part VIII RI Appendix 2 Table 2 Column [7] / Column [6]	(5) * (6)
	Appendix 3a Table 5	Appendix 3b Table 5	Appendix 3c Table 5			
Coverage	Starting Period for Model	Time Coefficient	Intercept	Fitted Value at 1/1/2028 Cost Level	Factor for Indexation	Fitted Value at 1/1/2028 Cost Level
Accident Benefits Weekly Indemnity	2012	(0.026)	10.916	58,431	1.313	76,701
Accident Benefits - Other (Indexed)	2012	(0.038)	8.913	8,098	1.178	9,543
Accident Benefits - Other (Non-Indexed)	2012	(0.025)	10.365	33,572	1.000	33,572
			Funeral and Death Benefits	70,873	1.000	70,873
			Permanent Impairment	29,183	1.000	29,183
			(5)AB-ONI * (9)			

Permanent Impairment / Funeral and Death Benefits Severity Relativity

(6)	(7)	(8)	(9)
	ICBC Frequency Exhibit CF-2.6	ICBC Severity 2023 RRA, Appendix C.0.2	Severity Relativity (8) / (8) Total
Funeral and Death Benefits	0.020%	61,940	2.111
Permanent Impairment	0.170%	25,505	0.869
Total	0.190%	29,340	1.000

Notes

Period Type	Period	Midpoint (Average Accident Date)
Accident Year	4/1/2025-3/31/2026	10/1/2025
Policy Year	2027	1/1/2028
	Offset	(2.250)

Note

- (6) Accident Benefits Weekly Indemnity agrees to indexation on Exhibit CF-11.2
Accident Benefits - Other (Indexed) agrees to indexation on Exhibit CF-11.3

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Income Replacement Second Payer Adjustment (Severity)
Data as of 12/31/2024
Alberta Tax Assumptions

(1) Exhibit CF-1.3.1	(2) Exhibit CF-1.3.1	(3) Exhibit CF-1.3.1	(4) See Note	(5) Exhibit CF-1.3.1	(6) Exhibit CF-1.3.1	(7) Exhibit CF-1.3.1	(8) Exhibit CF-1.3.1	(9) (7) + (8)	(10) (4) - (5) - (6) - (9)	(11) (4) / 52	(12) (10) / 52								
Gross Income Level	Gross Income Level Adjusted to 2028	Percent in Level	Mid Point of Interval	CPP Contribution	EI Premium	Provincial Income Tax	Federal Income Tax	Income Tax	Average Net Income	Average Gross Weekly Income	Average Net Weekly Income								
			Rate	5.95%	4.00%	1.61%	8.00%	10.00%	12.00%	13.00%	14.00%	20.50%	26.00%						
			Income Limit Adjusted 2028	77,582	88,398	68,330	63,131	159,126	190,951	254,600	60,621	121,241	187,945						
			Basic Exemption Adjusted to 2028	3,500	77,582		23,427	63,131	159,126	190,951	17,046	60,621	121,241						
0 to 5,000	0 to 5,488	11.0%	2,744	0	0	44	0	0	0	0	0	0	0	0	2,700	53	52		
5,000 to 10,000	5,488 to 10,976	6.1%	8,232	282	0	133	0	0	0	0	0	0	0	0	7,818	158	150		
10,000 to 20,000	10,976 to 21,951	10.7%	16,463	771	0	265	0	0	0	0	0	0	0	0	15,427	317	297		
20,000 to 30,000	21,951 to 32,927	8.4%	27,439	1,424	0	442	321	0	0	0	1,455	0	0	1,776	23,797	528	458		
30,000 to 40,000	32,927 to 43,902	7.9%	38,414	2,077	0	618	1,199	0	0	0	2,991	0	0	4,191	31,528	739	606		
40,000 to 50,000	43,902 to 54,878	7.9%	49,390	2,730	0	795	2,077	0	0	0	4,528	0	0	6,605	39,259	950	755		
50,000 to 60,000	54,878 to 65,853	7.6%	60,365	3,383	0	972	2,955	0	0	0	6,065	0	0	9,020	46,990	1,161	904		
60,000 to 80,000	65,853 to 87,804	12.5%	76,829	4,363	0	1,100	3,176	1,370	0	0	6,100	3,323	0	13,969	57,397	1,477	1,104		
80,000 to 100,000	87,804 to 109,755	9.1%	98,780	4,408	433	1,100	3,176	3,565	0	0	6,100	7,822	0	20,664	72,175	1,900	1,388		
over 100,000	over 109,755	19.0%	178,200	4,408	433	1,100	3,176	9,600	2,289	0	6,100	12,427	14,809	48,402	123,858	3,427	2,382		
Total		100.0%	68,708												50,761	1,321	976		
100,000 to 125,000	109,755 to 127,618	4.9%	118,686	4,408	433	1,100	3,176	5,556	0	0	6,100	11,903	0	26,736	86,010	2,282	1,654		
over 125,000	over 127,618	14.1%	198,417	4,408	433	1,100	3,176	9,600	3,819	971	6,100	12,427	17,343	53,436	139,041	3,816	2,674		
A. Maximum Eligible Income Adjusted to 2028			127,618	4,408	433	1,100	3,176	6,449	0	0	6,100	12,427	1,658	29,811	91,867	2,454	1,767		

Notes

- (4) Mid-point for over 100,000 level based on average income of \$68,707.
A. \$125,000 indexed for inflation to 2028

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Income Replacement Second Payer Adjustment (Severity)
Data as of 12/31/2024
Manitoba Tax Assumptions

(1)	(2)	(3) Exhibit CF-1.3.1	(4) See Note	(5) See Note	(6) See Note	(7) See Note	(8) See Note	(9) (7) + (8)	(10) (4) - (5) - (6) - (9)	(11) (4) / 52	(12) (10) / 52	
Gross Income Level	Gross Income Level Adjusted to 2028	Percent in Level	Mid Point of Interval	CPP Contribution	El Premium	Provincial Income Tax	Federal Income Tax	Income Tax	Average Net Income	Average Gross Weekly Income	Average Net Weekly Income	
			Rate	5.95%	4.00%	1.61%	10.80%	12.75%	17.40%	14.00%	20.50%	26.00%
			Income Limit Adjusted 2028	76,109	86,677	70,138	47,000	100,000	999,999	60,841	121,683	188,629
			Basic Exemption Adjusted to 2028	3,500	76,109		15,780	47,000	100,000	17,685	60,841	121,683
0 to 5,000	0 to 5,488	10.9%	2,744	0	0	44	0	0	0	0	0	0
5,000 to 10,000	5,488 to 10,976	6.6%	8,232	282	0	133	0	0	0	0	0	0
10,000 to 20,000	10,976 to 21,951	11.0%	16,463	771	0	265	74	0	0	74	0	0
20,000 to 30,000	21,951 to 32,927	10.0%	27,439	1,424	0	442	1,259	0	0	1,366	0	0
30,000 to 40,000	32,927 to 43,902	9.8%	38,414	2,077	0	618	2,445	0	0	2,902	0	0
40,000 to 50,000	43,902 to 54,878	11.2%	49,390	2,730	0	795	3,372	305	0	4,439	0	0
50,000 to 60,000	54,878 to 65,853	7.6%	60,365	3,383	0	972	3,372	1,704	0	5,975	0	0
60,000 to 80,000	65,853 to 87,804	13.0%	76,829	4,320	29	1,129	3,372	3,803	0	6,042	3,277	0
80,000 to 100,000	87,804 to 109,755	8.5%	98,780	4,320	423	1,129	3,372	6,602	0	6,042	7,777	0
over 100,000	over 109,756	11.5%	165,625	4,320	423	1,129	3,372	6,758	11,419	6,042	12,472	11,425
Total		100.0%	56,655									
A.. Manitoba Maximum Eligible Income Adjusted to 2028			122,684	4,320	423	1,129	3,372	6,758	3,947	6,042	12,472	260
			Exhibit CF-1.3.1							32,851	83,961	2,359
												1,615

Note

(4) Mid-point for over 100,000 level based on average income of \$56,657.

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Income Replacement Second Payer Adjustment (Severity)
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Exhibit CF-5.1.1	Exhibit CF-5.1.1	Exhibit CF-5.1.1	A.1 * (4)	A.3 * MIN((4) , A.4 / 52)	MAX((6) - (5),0)
					No Group Disability Plan	With Group Disability Plan
Gross Income Level Adjusted to 2028	Percent in Level	Average Gross Weekly Income	Average Net Weekly Income	Weekly Benefits from Collateral Source (Long-Term Disability) Plan	Weekly Indemnity Benefit	Weekly Indemnity Benefit after Group Disability Plan Payments
0 to 5,488	11.0%	53	52	31	47	16
5,488 to 10,976	6.1%	158	150	90	135	45
10,976 to 21,951	10.7%	317	297	178	267	89
21,951 to 32,927	8.4%	528	458	275	412	137
32,927 to 43,902	7.9%	739	606	364	546	182
43,902 to 54,878	7.9%	950	755	453	679	226
54,878 to 65,853	7.6%	1,161	904	542	813	271
65,853 to 87,804	12.5%	1,477	1,104	662	993	331
87,804 to 109,755	9.1%	1,900	1,388	833	1,249	416
109,755 to 127,618	4.9%	2,282	1,654	992	1,489	496
over 127,618	14.1%	3,816	2,674	1,604	1,590	0
Total	100.0%	1,320	982	589	769	182

A.1 Percentage of net income long term disability covers 60% Selected based on Government of Canada website (long-term disability)
A.2 Percentage of disability plans where Auto policy will be 1st payer 50% See Note
A.2.1 ICBC 2021 RRA Assumption (Based on judgment) 50% Current AB auto policy is 2nd payer
A.2.2 Selected Percentage of disability plans where Auto policy will be 1st payer 90% Care-First benefits
A.3 Percentage of net income covered by plan benefits 91,867 Exhibit CF-5.1.1
A.4 Maximum Net Income covered by plan benefits

Table: 14-10-0287-03 (September, 2024)					CHLIA	
Population	Labour Force (Unemployed + Employed)	Not in labor force (Population - Labour Force)	Labour Force: Unemployed	Labour Force: Total Employed	No Disability Plan (Employed - Disability Plan)	Disability Plan
3,956.20	2,716.20	1,240.00	206.20	2,510.10	710.10	1,800.00
B.1 Employed Population (September, 2024)			2,510	Table: 14-10-0287-03		
B.2 Number of Individuals with Disability Plan			1,800	CLHIA 2024 Provincial Data Appendix (https://www.chlia.ca/facts)		
B.3 Percent of Employed Individuals with Disability Plan			71.7%	B.2 / B.1		
C.1 Employed Population (September, 2025)			2,606	Table: 14-10-0287-03		
C.2 Total Population (September 2025)			4,077	Table: 14-10-0287-03		
C.3 Employment Rate			63.9%	C.1 / C.2		

	(8)	(9)	
	Proportion of Employed Claimants	Severity Net of Collateral Benefits	
Employed Claimants without Group Disability Plan	28.3%	769	(8) per B.3.,(9) per (6)
Employed Claimants with Group Disability Plan, Auto Ins. is 1st payer	35.9%	769	(8) per A.2.2. and B.3.,(9) per (6)
Employed Claimants with Group Disability Plan, Auto Ins. is 2nd payer	35.9%	182	(8) per A.2.2. and B.3.,(9) per (7)
Total	100.0%	558	
D. Reduction Factor		-27.4%	per (9)
E. Percentage of costs where collateral benefits are applicable (Employment Rate)		63.9%	C.3
F. Severity Adjustment Factor		-18%	D. x E. + 0 * (1 - E.)
G. Second Payer Adjustment		82%	1 + F.

Notes:

- A.1 Short-term disability benefits generally exceed long-term disability benefits. We select the long-term disability benefit to be conservative. We understand collateral source calculations will compare net benefits, even in situations when the collateral disability benefit is based on gross income. There may be a slight optimistic bias for claims that exceed the benefit period of employer disability plans.
- A.2.1 Per page 229 of the 2021 ICBC RRA, "Group or other private plans may state they are second payer when coverage is available under no fault automobile insurance plans. Judgmentally assumed to be the case 50% of the time."

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

**Income Replacement Higher Benefit Limit Adjustment
Data as of 12/31/2024**

(1)	(2)	(3) Exhibit CF-1.3.1	(4) Exhibit CF-1.3.1	(5) per (2)	(6) Exhibit CF-5.1.1	(7) Exhibit CF-5.1.2	(8) 90% * min((6), A.)	(9) 90% * min((6), A.)
Gross Income Level	Gross Income Level Adjusted to PY2027	Percent in Level (Alberta)	Percent in Level (Manitoba)	Mid Point of Interval	Average Net Income		Alberta Benefits	Manitoba Benefits
					Alberta	Manitoba		
A. Maximum Eligible Net Weekly Income Adjusted to PY 2027							1,767	1,615
							Exhibit CF-5.1.1	Exhibit CF-5.1.2
0 to 5,000	0 to 5,488	11.0%	10.9%	2,744	52	52	47	47
5,000 to 10,000	5,488 to 10,976	6.1%	6.6%	8,232	150	150	135	135
10,000 to 20,000	10,976 to 21,951	10.7%	11.0%	16,463	297	295	267	266
20,000 to 30,000	21,951 to 32,927	8.4%	10.0%	27,439	458	441	412	397
30,000 to 40,000	32,927 to 43,902	7.9%	9.8%	38,414	606	584	546	526
40,000 to 50,000	43,902 to 54,878	7.9%	11.2%	49,390	755	726	679	653
50,000 to 60,000	54,878 to 65,853	7.6%	7.6%	60,365	904	865	813	778
60,000 to 80,000	65,853 to 87,804	12.5%	13.0%	76,829	1,104	1,055	993	949
80,000 to 100,000	87,804 to 109,755	9.1%	8.5%	98,780	1,388	1,329	1,249	1,196
over 100,000	over 109,756	19.0%	11.5%	178,200	2,382	2,082	1,590	1,453
Total		100.0%	100.0%	68,708	976		774	658
							(6), weighted by (3)	(7), weighted by (4)
B. Adjustment Factor for Higher Limit for Employed Claimants							1.175	(8) Total / (9) Total

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Income Replacement & Other Monetary Benefits Economic Differences Adjustment
Data as of 12/31/2024

(1)	(2)	(3)
Claimant Group	Estimated Manitoba to Alberta Severity Adjustment	Reference
Earner	1.175	Exhibit CF-5.3
Caregiver	1.000	See Note
Loss of Studies Benefit	1.000	See Note
Income Replacement Benefit for Working Students	1.152	See Note
Income Replacement Benefit for Minors	1.152	See Note
Income Replacement & Other Monetary Benefits Adjustment Factor	1.150	

Note

Caregiver - Alberta weekly caregiver benefit is equivalent to the Manitoba weekly benefit
Loss of Studies Benefit: We expect students to receive the lump sum indemnity amount in Manitoba and Alberta.

Income Replacement Benefit for Student/Minor - based on differences between Manitoba and Alberta average weekly earnings including overtime for all employees in Table: 14-10-0222-01. (See Sections 59 and 60 of Regulations)

AB Average weekly earnings including overtime for all employees	1,369	Table: 14-10-0222-01
MB Average weekly earnings including overtime for all employees	1,188	Table: 14-10-0222-01
Ratio	1.152	

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Accident Benefits - Average Claim Duration Adjustment
Data as of 12/31/2024

(1)	(2)	(3)
	Workers' Compensation Board of Manitoba 2024 Annual Report	Workers' Compensation Board of Alberta Annual Report
Year	Manitoba Average Claim Duration (average days paid)	Alberta Average Claim Duration
2020	34.3	42.6
2021	33.2	44.7
2022	30.6	44.7
2023	32.8	46.5
2024	37.8	45.1
5-year Average	33.7	44.7
Adjustment Factor		1.325

Notes:

- (2) https://www.wcb.mb.ca/uploads/2025/06/WCB209b_2024_AnnualReport_Digital_FIN.pdf?x68713
Assume "days paid" = weekdays
- (3) https://www.wcb.ab.ca/annual-report-2021/assets/PDFs/AR_2021_web.pdf
https://www.wcb.ab.ca/annual-report-2022/assets/PDFs/AR_2022_web.pdf
https://www.wcb.ab.ca/annual-report-2023/assets/PDFs/AR_2023_web.pdf
https://www.wcb.ab.ca/annual-report-2024/assets/PDFs/AR_2024_web.pdf
Adjusted by 5/7 for a comparable measure of weekdays

Province of Alberta
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Actuarial Analysis - Reform Costing

2025 reasonable and customary fees for Paramedical Services
IA Financial Group

(1)	(2)	(3)	(4)
	https://files.ia.ca/-/media/files/iactuel/pdfs/2024/11-novembre/admin-frais-coutumiers-2025-en-acc.pdf		(2) / (3)
Treatment	Alberta	Manitoba	Ratio
Acupuncturist			
Initial Assessment	160	135	1.185
Subsequent Visits	120	110	1.091
Audiologist			
Assessment and treatment	175	160	1.094
Chiropractor			
Initial Assessment	150	110	1.364
Subsequent Visits	85	65	1.308
Dietitian			
Initial Assessment	215	195	1.103
Subsequent Visits	195	160	1.219
Homeopath			
Initial Assessment	150	135	1.111
Subsequent Visits	95	95	1.000
Kinesiotherapist			
Assessment and treatment	125	125	1.000
Massage Therapist			
Assessment and treatment (per hour)	170	155	1.097
Naturopath			
Initial Assessment	270	270	1.000
Subsequent Visits	190	190	1.000
Occupational Therapist			
Assessment and treatment (per hour)	185	155	1.194
Optometrist			
General eye exam	175	160	1.094
Orthotherapist			
Assessment and treatment	90	90	1.000
Osteopath			
Initial Assessment	180	170	1.059
Subsequent Visits	170	150	1.133
Physiotherapist			
Initial Assessment	165	120	1.375
Subsequent Visits	140	100	1.400
Podiatrist			
Initial Assessment	130	110	1.182
Subsequent Visits	110	90	1.222
Psychologist/Psychotherapist/Counselling Therapist			
Assessment and treatment (per hour)	265	250	1.060
Social Worker			
Assessment and treatment (per hour)	240	180	1.333
Speech Therapist			
Assessment and treatment (per hour)	170	165	1.030

Province of Alberta
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Actuarial Analysis - Reform Costing

2025 reasonable and customary fees for Paramedical Services
Empire Life

(1)	(2) https://www.empire.ca/document/13496	(3)	(4) (2) / (3)
Treatment	Alberta	Manitoba	Ratio
Acupuncturist	120	85	1.412
Audiologist	134	115	1.165
Chiropodist	110	90	1.222
Chiropractor			
Initial Assessment	120	95	1.263
Subsequent Visits	75	60	1.250
Dietitian	180	160	1.125
Massage Therapist	120	95	1.263
Naturopath			
Initial Assessment	285	250	1.140
Subsequent Visits	200	180	1.111
Occupational Therapist	180	140	1.286
Osteopath	145	140	1.036
Physiotherapist			
Initial Assessment	145	108	1.343
Subsequent Visits	120	92	1.304
Podiatrist	113	90	1.256
Psychologist	225	200	1.125
Social Worker	200	155	1.290
Speech Therapist	160	160	1.000

Province of Alberta
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Accident Benefits - Health Care Cost Adjustment
Data as of 12/31/2024

(1)	(2)	(3)
	https://www.cihi.ca/en/national-health-expenditure-trends-2024-infographics	Table 11-10-0222-01
Province	Health Care Spending per Person	2023 Average Household Healthcare Expenditure
Alberta	9,370	3,377
Manitoba	9,273	3,245
Ratio	1.010	1.041

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Health Care Cost Adjustment
Data as of 12/31/2024

(1)	(2)
Source	Indication
Health Care Spending per Person	1.010
2023 Average Household Healthcare Expenditure	1.041
IA Financial Group Fee Schedule	1.000 - 1.400
Empire Life Fee Schedule	1.125 - 1.412
Selected Adjustment Factor	1.200

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Wait Times by Case Type
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
	DAD and NACRS Provisional Data Timeliness, 2024–2025 — Data Tables				average((2) to (5))
Treatment	January - March	April - June	July - September	October - December	Average
Proportion of 2024–2025 acute cases available within 60 days after quarter end					
Alberta	99.9%	97.8%	97.9%	98.6%	98.6%
Manitoba	85.3%	37.6%	58.9%	64.1%	61.5%
Proportion of 2024–2025 ED cases available within 60 days after quarter end					
Alberta	100.0%	99.5%	99.7%	99.8%	99.8%
Manitoba	100.0%	98.8%	100.0%	99.9%	99.7%
Proportion of 2024–2025 day surgery cases available within 60 days after quarter end					
Alberta	100.0%	99.2%	99.4%	99.5%	99.5%
Manitoba	91.8%	50.4%	70.8%	77.1%	72.5%

Selected Wait-Time Adjustment Factor

1.000 Assumes that wait times in Alberta may increase, but not beyond Manitoba wait-times. Under these conditions, Manitoba severities would be conservative.

Notes

Link to Study <https://www.cihi.ca/en/access-data-and-reports/data-tables>

Province of Alberta
Private Passengers Vehicles
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Wait Times for Priority Procedures
Data as of 12/31/2024

(1) Treatment	(2) Alberta	(3) Manitoba	(4) Ratio (2) / (3)
Wait Times for Priority Procedures in Canada, 2008 to 2024 — Data Tables			
CT Scan (Days)			
50th Percentile	34	55	0.618
90th Percentile	116	162	0.716
Hip Fracture Repair (Hours)			
50th Percentile	21	19	1.105
90th Percentile	52	52	1.000
% Meeting Benchmark	88%	88%	1.000
MRI Scan (Days)			
50th Percentile	63	104	0.606
90th Percentile	217	352	0.616

Selected Wait-Time Adjustment Factor

1.000 Assumes that wait times in Alberta may increase, but not beyond Manitoba wait-times. Under these conditions, Manitoba severities would be conservative.

Notes:

Link to Study <https://www.cihi.ca/en/explore-wait-times-for-priority-procedures-across-canada#additional-resources>

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Adjustment for Distribution of Vehicle Types

(1)	(2)	(3)	(4)	(5)	(6)
		MPI Large Vehicle Study		(4) / (3)	
	Class of Vehicle	Number of Injuries	Total Injury Cost	Average Injury Cost	Relativity
A.1	Overall Total	63,416	508,129,124	8,013	
A.2	Incidents where Pickup Trucks are involved	14,433	162,762,644	11,277	1.407
A.3	Incidents where Compact Cars are involved	29,807	174,938,972	5,869	0.732
A.4	Incidents where Sub-Compact Cars are involved	5,403	25,143,385	4,654	0.581
A.5	Incidents where Mid/Full Size Cars are involved	16,797	125,329,383	7,461	0.931
A.6	Incidents where Passenger/Cargo Vans are involved	10,675	81,085,417	7,596	0.948
A.7	Incidents where SUVs are involved	29,914	175,234,055	5,858	0.731
A.8	Incidents where Heavy Vehicles are involved	2,511	41,335,438	16,462	2.054

(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Table: 23-10-0308-01	As a percent of B.1	Table: 23-10-0308-01	As a percent of B.1	
	Class of Vehicle	Registrations in Alberta	Percent of Total Registrations	Registrations in Manitoba	Percent of Total Registrations	Assigned Severity
B.1	Total, road motor vehicle registrations	3,694,433		968,751		
B.2	Total, vehicles weighing 4,536 kilograms or less	3,207,147		871,321		
B.3	Passenger cars, weighing 4,536 kilograms or less	834,819	22.6%	245,719	25.4%	6,257
B.4	Multi-purpose vehicles, weighing 4,536 kilograms or less	1,388,150	37.6%	356,443	36.8%	6,257
B.5	Pickup trucks, weighing 4,536 kilograms or less	785,988	21.3%	212,063	21.9%	11,277
B.6	Vans, weighing 4,536 kilograms or less	197,662	5.4%	56,961	5.9%	7,596
B.7	Other vehicles, weighing 4,536 kilograms or less	528	0.0%	135	0.0%	6,257
B.8	Total, vehicles weighing 4,536 to 11,793 kilograms	201,688	5.5%	19,891	2.1%	16,462
B.9	Total, vehicles weighing 11,794 kilograms or more	128,617	3.5%	44,374	4.6%	16,462
B.10	Buses	12,350	0.3%	3,549	0.4%	
B.11	Motorcycles and mopeds	144,631	3.9%	29,616	3.1%	
	Total		100.0%		100.0%	
	Weighted average, excluding buses, motorcycles and mopeds		8,400		8,177	
C.1	Implied Adjustment Factor	1.027	(9) Total / (11) Total			
C.2	Selected Adjustment Factor	1.050				

Notes

- (3) & (4) The Large Vehicle Study is included in Part IX - LP Appendix 1 in the 2023 General Rate Application.
- C.2 Selection reflects the bias in C.1 due to the severities reflecting the average of all parties injured in an accident. We assume that increase will be born disproportionately by the driver and passenger of the private-passenger vehicle.

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Estimation of Income-Based Funeral and Death Benefits
Data as of 12/31/2024

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Table: 98-10-0080-01 (requires individual filters)				per C.		
	Couple With Children	Couple Without Children	One Parent Family	Single Person Households and Other	Total		Notes / Comments
A.	Household Size Distribution						
A.1.	1 person	0	0	0	839,546	839,546	
A.2.	2 persons	0	461,780	104,115	0	565,895	
A.3.	3 persons	190,235	0	50,750	0	240,985	
A.4.	4+ Persons	335,450	0	22,325	0	357,775	
A.5.	Total	525,685	461,780	177,190	839,546	2,004,201	
B.	Household Size						
B.1.	1 person			1	1		Oliver Wyman Assumption
B.2.	2 persons	2	2	2			Oliver Wyman Assumption
B.3.	3 persons	3		3			Oliver Wyman Assumption
B.4.	4+ Persons	4,377		4,489			B.4. Calculated to balance to B.5.
B.5.	Average	3.878	2	2.600	1		
B.6.	Average for Couple Families	3.000					
		Calc'd to balance to B.6.	Oliver Wyman Assumption	Table: 98-10-0123-01	Oliver Wyman Assumption		
		Table: 98-10-0123-01					
C.	Individuals in Household						
		2,038,835	923,560	460,694	839,546	4,262,635	
		B.5. * A.5.	B.5. * A.5.	B.5. * A.5.	by subtraction	per 2021 Census	
Adult / Child Distribution							
D.	Adults per Household						
		2	2	1	1		Oliver Wyman Assumption
E.	Children and Other Dependents per Household						
E.1.	1 person				0.000		Children and Other Dependents including dependent parents
E.2.	2 persons		0.000	1.000			
E.3.	3 persons	1.000		2.000			
E.4.	4+ Persons	2.377		3.489			
E.5.	Average Number of Other Dependents	1.878	0.000	1.600	0.000		
F.	Distribution of Fatalities						
F.1.	Adult	81.8%	Exhibit CF-7.2				
F.2.	Children and Other Dependents	18.2%	Exhibit CF-7.2				
G.	Unbalanced Fatalities						
G.1.	Adult Fatalities	1.636	1.636	0.818	0.818		D. * F.1.
G.2.	Children and Other Dependent Fatalities	0.342	0.000	0.291	0.000		E.5. * F.2.
G.3.	Adult Fatalities	2,446,964	Sumproduct of G.1. and A.5.	91.4%	0.895		F.1. / G.3.
G.4.	Children and Other Dependent Fatalities	231,409	Sumproduct of G.2. and A.5.	8.6%	2.107		F.2. / G.4.
G.5.	Total Unbalanced Fatalities	2,678,373		100.0%			
H.	Rebalanced Fatalities						
H.1.	Adult Fatalities	1.465	1.465	0.732	0.732		G.1. * G.3.
H.2.	Children and Other Dependent Fatalities	0.721	0.000	0.614	0.000		G.2. * G.4.
H.3.	Adult Fatalities	2,190,714	Sumproduct of H.1. and A.5.	81.8%			
H.4.	Children and Other Dependent Fatalities	487,660	Sumproduct of H.2. and A.5.	18.2%			
H.5.	Total Unbalanced Fatalities	2,678,373		100.0%			
I.	Distribution of Fatalities within Family Type						
I.1.	Adult Fatalities	67.0%	100.0%	54.4%	100.0%		
I.2.	Children and Other Dependent Fatalities	33.0%	0.0%	45.6%	0.0%		
J.	Estimated Non-Dependents						
		1.850	2.250	1.850	1.950		
	Non-Dependent Parents	1.750	1.750	1.750	1.850		
	Non-Dependent Children	0.100	0.500	0.100	0.100		
K.	Count of Benefits per Fatality (not per Fatal Collision)						
K.1.	Funeral	1	1	1	1	10,308	
K.2.	Grief Counseling	2.878	1.000	1.600	0.000	4,310	B.5. - K.1.
K.3.	Spouse Death Benefit	0.670	1.000	0.544	0.000	193,054	I * II.
K.4.	Dependent Death Benefit	1.259	0.000	0.870	0.000	50,000	E.5. * II.
K.5.	Non Dependent Death Benefit	1.850	2.250	1.850	1.950	16,840	I.
L.	Income-Based Benefit						
		52.6%	78.6%	53.3%	0.0%	45.9%	
					Selected	45.0%	

Additional Notes

- J. Parents and adult children, subject to sensitivity testing
- K.2. We assume everyone in the family apart from the deceased will receive the grief counseling benefit.
- K.3. Dependents (even if not the spouse) will receive the "spousal death benefit" in addition to the dependent death benefit.
- K. Slightly conservative since we are not considering a related fatality which reduces the benefit count (multi-fatality events in same household)
- L. Calculated as the total spousal death benefit divided by the total funeral and death benefits per the number of claimants and the average benefit amount. Note that selection considers sensitivity testing of uncertain assumptions.

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Distribution of Collisions that Result in a Fatality
Data as of 12/31/2024

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		https://tc.canada.ca/en/road-transportation/statistics-data/canadian-motor-vehicle-traffic-collision-statistics/2023/canadian-motor-vehicle-traffic-collision-statistics-2023							Distribution by Road User Class	
Road User Class		2019	2020	2021	2022	2023	Total Excluding 2019	Adult	Children	
A.	Fatalities									
A.1	Drivers	849	835	839	932	1,025	3,631			
A.2	Passengers	316	271	274	315	301	1,161			
A.3	Pedestrians	201	286	307	298	298	1,189			
A.4	Bicyclists	39	51	47	46	47	191			
A.5	Motorcyclists	195	242	230	251	229	952			
A.6	A.1 + ... + A.5 Total Fatalities	1,600	1,685	1,697	1,842	1,900	7,124			
B.	Fatal Collisions	1,620	1,602	1,628	1,762	1,768	6,760			
C.	Rate per Fatal Collision									
C.1	A.1 / B. Drivers	0.52	0.52	0.52	0.53	0.58	0.54	93.6%	6.4%	
C.2	A.2 / B. Passengers	0.20	0.17	0.17	0.18	0.17	0.17	76.2%	23.8%	
C.3	A.3 / B. Pedestrians	0.12	0.18	0.19	0.17	0.17	0.18	50.0%	50.0%	
C.4	A.4 / B. Bicyclists	0.02	0.03	0.03	0.03	0.03	0.03	30.0%	70.0%	
C.5	A.5 / B. Motorcyclists	0.12	0.15	0.14	0.14	0.13	0.14	93.6%	6.4%	
D.	A.6 / B. Fatality Rate per Fatal Collision	0.988	1.052	1.042	1.045	1.075	1.054	0.862	0.192	
E.	Distribution of Total Collisions							81.8%	18.2%	

Notes

- (7) Excluded 2019 due to fatality rate < 1
 (8), (9) Percentage of Driver and Passenger Fatalities and Serious Injuries by Age Group - 2023 (Normalized for "Not Stated")
 Uncertain assumption: distributions for C.3 and C.4 subject to sensitivity testing.

		Fatality Distribution	
Age Group		Driver	Passenger
Children	0 - 4	0.0%	2.2%
Children	5 - 14	0.1%	6.7%
Children	15 - 19	6.3%	14.6%
Adult	20 - 24	8.6%	11.1%
Adult	25 - 34	18.4%	15.6%
Adult	35 - 44	15.8%	10.2%
Adult	45 - 54	14.6%	6.7%
Adult	55 - 64	15.6%	7.3%
Adult	65 +	20.7%	24.5%
	Not Stated	0.0%	1.0%
	Total	100.0%	100.0%

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Summary of Benefits
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Care-First Auto Insurance Intentions Paper										
Benefit Category	Benefit Amount	Selected	Note/Comment		Table: 98-10-0132-01	per (6)	Income Replacement and Monetary Benefits Draft Regulation	Table: 37-10-0152-01	(8) * (9)	
Age Category	Age Distribution (Interval)	Age Distribution	Factor	Average Income	Spouse Death Benefit					
Funeral	10,308	10,308	Maximum		25 or under	41,840	41,840	1.00	26,226	26,226
Grief Counseling	4,310	4,310	Maximum		26		30,818	1.20	47,973	57,568
Payment to Family Spouse	75,623 - 600,000	193,054	Based on income of deceased; Calculation		27	123,270	30,818	1.40	47,973	67,162
Payment to Family Dependent	35,919 - 66,170	50,000	Selected; Based on age of dependent; uncertain assumption, subject to sensitivity testing		28		30,818	1.60	47,973	76,757
Payment to Family Non-Dependent	16,840	16,840	Amount Established by Minister		29		30,818	1.80	47,973	86,351
Spouse Death Benefit	193,054				30		42,466	3.00	59,844	179,532
					31		42,466	2.20	59,844	131,657
					32	212,330	42,466	2.40	59,844	143,626
					33		42,466	2.60	59,844	155,594
					34		42,466	2.80	59,844	167,563
					35		49,884	3.00	67,364	202,092
					36		49,884	3.20	67,364	215,565
					37	249,420	49,884	3.40	67,364	229,038
					38		49,884	3.60	67,364	242,510
					39		49,884	3.80	67,364	255,983
					40		46,302	4.00	75,385	301,540
					41		46,302	4.20	75,385	316,617
					42	231,510	46,302	4.40	75,385	331,694
					43		46,302	4.60	75,385	346,771
					44		46,302	4.80	75,385	361,848
					45		41,471	5.00	79,454	397,270
					46		41,471	4.80	79,454	381,379
					47	207,355	41,471	4.60	79,454	365,488
					48		41,471	4.40	79,454	349,598
					49		41,471	4.20	79,454	333,707
					50		38,327	4.00	79,000	316,000
					51		38,327	3.80	79,000	300,200
					52	191,635	38,327	3.60	79,000	284,400
					53		38,327	3.40	79,000	268,600
					54		38,327	3.20	79,000	252,800
					55		39,000	3.00	79,549	238,647
					56		39,000	2.80	79,549	222,737
					57	195,000	39,000	2.60	79,549	206,827
					58		39,000	2.40	79,549	190,918
					59		39,000	2.20	79,549	175,008
					60		37,525	2.00	64,998	129,996
					61		37,525	1.80	64,998	116,996
					62	187,625	37,525	1.60	64,998	103,997
					63		37,525	1.40	64,998	90,997
					64		37,525	1.20	64,998	77,998
65 or over	393,945	393,945						1.00	64,998	64,998
Total	2,033,930	2,033,930								

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Population Distribution Adjustment
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
		Exhibit CF-5.1.1	Exhibit CF-5.1.2	Exhibit CF-1.3.1	Exhibit CF-1.3.1
Gross Income Level	Gross Income Level Adjusted to 2028	Mid Point of Interval (Alberta)	Mid Point of Interval (Manitoba)	Percent in Level (Alberta)	Percent in Level (Manitoba)
0 to 5,000	0 to 5,488	2,744	2,744	11.0%	10.9%
5,000 to 10,000	5,488 to 10,976	8,232	8,232	6.1%	6.6%
10,000 to 20,000	10,976 to 21,951	16,463	16,463	10.7%	11.0%
20,000 to 30,000	21,951 to 32,927	27,439	27,439	8.4%	10.0%
30,000 to 40,000	32,927 to 43,902	38,414	38,414	7.9%	9.8%
40,000 to 50,000	43,902 to 54,878	49,390	49,390	7.9%	11.2%
50,000 to 60,000	54,878 to 65,853	60,365	60,365	7.6%	7.6%
60,000 to 80,000	65,853 to 87,804	76,829	76,829	12.5%	13.0%
80,000 to 100,000	87,804 to 109,755	98,780	98,780	9.1%	8.5%
over 100,000	over 109,756	178,200	165,625	19.0%	11.5%
Total				100.0%	100.0%
A. Income Metrics					Ratio
Mean				68,708	56,655 1.213
25th percentile				17,430	16,841 1.035
50th percentile				47,595	41,563 1.145
70th percentile				86,703	72,269 1.200
80th percentile				97,714	79,969 1.222
B. Adjustment Factor for Higher Limit for Employed Claimants				1.213	Selected based on A.
C. Percent of Death Benefits Tied to Income				45%	Exhibit CF-7.1
D. Total Adjustment Factor for Higher Limit				1.096	1 + (B. - 1) * C.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - PIPP Enhancements Adjustment Factor
Data as of 12/31/2024

(1)	(2)		(3)		(4)		(5)	
	MPI 2026 GRA Appendix 4b Table 3		MPI 2026 GRA Appendix 4o Table 2		MPI 2026 GRA Appendix 4a Table 3		MPI 2026 GRA Appendix 4o Table 1	
	Medical Expenses			Income Replacement				
Accident Year	Ultimate Loss Cost	PIPP Enhancement Ultimate Loss Cost	PIPP Enhancement Ultimate Loss Cost	Ultimate Loss Cost	PIPP Enhancement Ultimate Loss Cost	Ultimate Loss Cost	PIPP Enhancement Ultimate Loss Cost	
2011	76.74	6.22	6.22	102.70	1.20	1.20	1.20	
2012	69.80	3.46	3.46	96.71	1.32	1.32	1.32	
2013	63.78	2.81	2.81	84.82	1.65	1.65	1.65	
2014	58.12	3.65	3.65	87.47	0.36	0.36	0.36	
2015	71.72	4.81	4.81	95.41	0.39	0.39	0.39	
2016	85.18	6.24	6.24	102.31	2.10	2.10	2.10	
2017	76.61	6.47	6.47	99.94	2.79	2.79	2.79	
2018	60.56	3.26	3.26	89.89	0.75	0.75	0.75	
2019	65.61	3.92	3.92	90.01	0.67	0.67	0.67	
2020	58.76	5.04	5.04	79.42	1.76	1.76	1.76	
2021	61.97	6.24	6.24	90.60	2.08	2.08	2.08	
2022	50.57	4.53	4.53	88.98	1.38	1.38	1.38	
2023	58.30	5.18	5.18	91.27	1.52	1.52	1.52	
2024	63.87	5.36	5.36	98.16	2.23	2.23	2.23	
	921.59	67.19	67.19	1,297.70	20.21	20.21	20.21	
Adjustment Factor		1.073	1.073		1.016	1.016	1.016	

Actuarial Analysis - Reform Costing

Summary of Ontario Loss Transfer Mechanism Data as of 12/31/2024

Accidents involving motorcycles or motorized snow vehicles

- Eligibility
- the other automobile is not a motorcycle, motorized snow vehicle, or off-road vehicle
 - the other vehicle involved in the accident is fully or partially at fault

Accidents involving heavy commercial vehicles

- Eligibility
- A driver of a non-heavy commercial vehicle is in an accident with a heavy commercial vehicle
 - A heavy commercial vehicle is defined in Ontario as being over 4,500 kg gross weight and is used primarily to transport materials, goods, tools, or equipment.
 - The driver of the heavy commercial vehicle is fully or partially at fault

Benefits Eligible for Loss Transfer

- No transfer is available for the first \$2,000 of no-fault accident benefits paid out
- The first-party insurer is entitled to reimbursement in proportion to the degree of fault of the other vehicle
- Reimbursement is only available for indemnity amounts, not for loss adjustment expenses

Reimbursement Process

- The insured receives payment from their own insurer, and the insurer seeks reimbursement from the insurer of the other vehicle
- Reimbursement payments are made as the primary insurer makes payments to the insured

Notes:

For more details on the legislation governing loss transfer, see Section 275 in the Ontario Insurance Act: <https://www.ontario.ca/laws/statute/90i08#BK301>
For an additional summary, see FSRA bulletin No. A-9/92: <https://www.fsrao.ca/media/7201/download>

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Loss Transfer Eligibility Adjustment
Data as of 12/31/2024

(1)	(2) Table: 23-10-0308-01	(3) Table: 23-10-0308-01
Vehicle Class	Alberta	Ontario
Total Vehicle Registrations (2024)	3,694,433	9,386,139
Total Vehicles Weighing Less Than 4,536 kg (2024)	3,207,147 86.8%	8,806,814 93.8%
Motorcycles & Mopeds (2024)	144,631 3.9%	239,091 2.5%
Buses (2024)	12,350 0.3%	20,027 0.2%
Total Vehicles Weighing More Than 4,536 kg (2024)	330,305 8.9%	320,207 3.4%

(4)	(5) AUTO1010 and AUTO1101	(6) AUTO1010 and AUTO1101
Vehicle Class	Alberta 2024 Earned Vehicles	Ontario 2024 Earned Vehicles
Private Passenger Vehicles	3,003,474	8,351,779
Commerical Vehicles	302,622	486,848
Interurban Vehicles - Individually Rated	9,011	13,030
Motorcycles	176,443	251,827
All-Terrain Vehicles	159,210	310,921
Total	3,650,759	9,414,405
Private Passenger Vehicles	82.3%	88.7%
Commerical Vehicles	8.3%	5.2%
Interurban Vehicles - Individually Rated	0.2%	0.1%
Motorcycles	4.8%	2.7%
All-Terrain Vehicles	4.4%	3.3%
Total	100.0%	100.0%

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Private Passenger Vehicle Loss Transfer
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Exhibit CF-9.10	Exhibit CF-9.10	(2) + (3)	See Note	(5) * A.	(2) / (6)	(3) / (6)	(4) / (6)
Accident Semester	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed	Net Loss Transfer	Ontario Accident Benefits Total Excluding Loss Transfer	Alberta Accident Benefits Total Excluding Loss Transfer, Imputed	Outgoing Loss Transfer Payments as a Percent of Accident Benefits Total Excluding Loss Transfer	Loss Transfer Recovery Amounts as a Percent of Accident Benefits Total Excluding Loss Transfer	Net Loss Transfer as a Percent of Accident Benefits Total Excluding Loss Transfer
201501	26,766,800	(31,199,056)	(4,432,256)	1,122,860,028	980,366,403	2.7%	-3.2%	-0.5%
201502	62,989,453	(54,973,628)	8,015,825	1,380,401,455	1,205,225,207	5.2%	-4.6%	0.7%
201601	31,160,952	(51,581,692)	(20,420,740)	1,258,987,781	1,099,219,219	2.8%	-4.7%	-1.9%
201602	50,024,840	(46,606,196)	3,418,644	1,289,742,640	1,126,071,212	4.4%	-4.1%	0.3%
201701	21,018,023	(37,470,652)	(16,452,629)	1,046,215,132	913,447,928	2.3%	-4.1%	-1.8%
201702	41,280,762	(46,754,016)	(5,473,253)	1,214,400,488	1,060,290,160	3.9%	-4.4%	-0.5%
201801	17,004,282	(39,084,748)	(22,080,466)	1,043,608,263	911,171,877	1.9%	-4.3%	-2.4%
201802	46,190,503	(52,937,856)	(6,747,353)	1,224,656,611	1,069,244,756	4.3%	-5.0%	-0.6%
201901	19,550,432	(38,021,859)	(18,471,427)	1,091,489,643	952,976,995	2.1%	-4.0%	-1.9%
201902	33,922,502	(52,077,583)	(18,155,080)	1,236,661,673	1,079,726,347	3.1%	-4.8%	-1.7%
202001	16,927,569	(25,857,931)	(8,930,362)	723,063,289	631,304,827	2.7%	-4.1%	-1.4%
202002	26,928,913	(39,791,015)	(12,862,102)	887,219,323	774,629,068	3.5%	-5.1%	-1.7%
202101	8,774,315	(16,790,880)	(8,016,564)	608,847,382	531,583,192	1.7%	-3.2%	-1.5%
202102	21,556,049	(24,551,438)	(2,995,389)	952,195,686	831,359,775	2.6%	-3.0%	-0.4%
202201	10,515,999	(21,102,190)	(10,586,190)	715,506,250	624,706,795	1.7%	-3.4%	-1.7%
202202	22,857,711	(16,119,644)	6,738,067	868,112,900	757,947,295	3.0%	-2.1%	0.9%
202301	5,348,086	(11,317,484)	(5,969,398)	740,935,484	646,908,998	0.8%	-1.7%	-0.9%
202302	11,956,764	(8,777,884)	3,178,880	826,758,347	721,840,734	1.7%	-1.2%	0.4%
202401	3,721,415	(4,427,884)	(706,469)	641,187,030	559,818,861	0.7%	-0.8%	-0.1%
202402	10,106,571	(2,192,969)	7,913,602	537,395,928	469,199,099	2.2%	-0.5%	1.7%
Total	488,601,942	(621,636,603)	(133,034,661)		2015-1 - 2019-2	3.3%	-4.3%	-1.0%
		A.	PPV Distribution Adjustment	0.873	2020-1 - 2022-1	2.4%	-3.7%	-1.3%
				Exhibit CF-9.10	2022-2 - 2024-2	1.7%	-1.3%	0.4%
					All years	2.7%	-3.4%	-0.8%
				A. Selected Loss Transfer Percent of Accident Benefits Total		2.0%	-3.0%	-1.0%
				B. Care-First CV Estimated Accident Benefits Loss Cost			482.62	
				Exhibit CF-12				
				C. Estimated Care-First Additional Cost from Loss Transfer		9.65	(14.48)	(4.83)
				A. * B.				

Notes

(5)

Ontario Exhibit AUTO7001 - incurred loss amounts for loss codes 37, 40, 41, 42, 43, 45, 46, 48, 80, 81, 82, 83, 84, 85, 86, and 87.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Commercial Vehicle Loss Transfer
Data as of 12/31/2024

(1)	(2) Exhibit CF-9.10	(3) Exhibit CF-9.10	(4) (2) + (3)	(5) See Note	(6) (5) * A.	(7) (2) / (6)	(8) (3) / (6)	(9) (4) / (6)
Accident Semester	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed	Net Loss Transfer	Ontario Accident Benefits Total Excluding Loss Transfer	Alberta Accident Benefits Total Excluding Loss Transfer, Imputed	Outgoing Loss Transfer Payments as a Percent of Accident Benefits Total Excluding Loss Transfer	Loss Transfer Recovery Amounts as a Percent of Accident Benefits Total Excluding Loss Transfer	Net Loss Transfer as a Percent of Accident Benefits Total Excluding Loss Transfer
201501	26,925,678	(559,061)	26,366,617	40,819,874	69,559,172	39%	-1%	38%
201502	64,459,069	(4,321,442)	60,137,627	39,182,561	66,769,106	97%	-6%	90%
201601	29,807,673	(2,136,252)	27,671,422	27,671,422	34,713,184	50%	-4%	47%
201602	45,358,811	(4,726,716)	40,632,095	40,632,095	36,920,838	72%	-8%	65%
201701	26,541,931	(3,488,071)	23,053,859	25,708,881	43,809,260	61%	-8%	53%
201702	32,624,213	(901,869)	31,722,343	33,242,773	56,647,400	58%	-2%	56%
201801	21,375,276	(1,885,118)	19,490,158	28,124,648	47,925,851	45%	-4%	41%
201802	24,452,341	(383,939)	24,068,401	24,068,401	35,576,043	60%	-1%	40%
201901	26,846,122	(2,267,876)	24,578,246	24,578,246	35,171,029	45%	-4%	41%
201902	28,892,325	(1,218,765)	27,673,561	27,673,561	35,802,380	47%	-2%	45%
202001	9,792,004	(139,445)	9,652,559	22,334,352	38,058,888	26%	0%	25%
202002	24,296,305	(959,905)	23,336,400	27,624,700	47,073,914	52%	-2%	50%
202101	7,739,058	(116,363)	7,622,695	20,210,573	34,439,859	22%	0%	22%
202102	10,470,853	(1,478,648)	8,992,205	25,074,320	42,727,935	25%	-3%	21%
202201	6,090,907	(1,303,738)	4,787,169	28,821,166	49,112,754	12%	-3%	10%
202202	13,404,186	(638,538)	12,765,647	29,952,996	51,041,451	26%	-1%	25%
202301	8,407,298	(90,647)	8,316,651	29,109,924	49,604,813	17%	0%	17%
202302	10,355,127	(1,426,824)	8,928,303	31,905,335	54,368,337	19%	-3%	16%
202401	3,247,004	(13,631)	3,233,373	20,051,201	34,168,281	10%	0%	9%
202402	9,056,673	(32,788)	9,023,884	17,884,245	30,475,676	30%	0%	30%
Total	430,142,853	(28,089,637)	402,053,216		2015-1 - 2019-2	55%	-4%	51%
		A.	CV Distribution Adjustment	1.70	2020-1 - 2022-1	27%	-2%	26%
				per Exhibit CF-9.10	2022-2 - 2024-2	20%	-1%	19%
					All years	40%	-3%	37%
				A. Selected Loss Transfer Percent of Accident Benefits Total per (7) - (9)		45%	-2%	43%
				B. Care-First CV Estimated Accident Benefits Loss Cost CV Exhibit CF-6.1			273.30	
				C. Estimated Care-First Additional Cost from Loss Transfer A. * B.		122.99	(5.47)	117.52

Notes
(5)

Ontario Exhibit AUTO7002 - incurred loss amounts for loss codes 37, 40, 41, 42, 43, 45, 46, 48, 80, 81, 82, 83, 84, 85, 86, and 87.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Interurban Vehicles - Individually Rated Loss Transfer
Data as of 12/31/2024

(1)	(2) Exhibit CF-9.10	(3) Exhibit CF-9.10	(4) (2) + (3)	(5) See Note	(6) (5) * A.	(7) (4) / (6)
Accident Semester	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed	Net Loss Transfer	Ontario Accident Benefits Total Excluding Loss Transfer	Alberta Accident Benefits Total Excluding Loss Transfer, Imputed	Net Loss Transfer as a Percent of Accident Benefits Total Excluding Loss Transfer
201501	10,981,819	0	10,981,819	5,288,592	9,012,034	122%
201502	5,658,508	(195,055)	5,463,452	8,338,859	14,209,846	38%
201601	10,143,328	0	10,143,328	539,629	919,556	1103%
201602	3,650,285	0	3,650,285	3,292,632	5,610,815	65%
201701	6,955,157	0	6,955,157	5,233,272	8,917,766	78%
201702	11,524,025	0	11,524,025	748,625	1,275,695	903%
201801	10,395,382	(4,807)	10,390,575	1,000,543	1,704,976	609%
201802	6,638,260	0	6,638,260	474,125	807,934	822%
201901	10,137,083	(402,573)	9,734,511	3,867,357	6,590,177	148%
201902	15,419,305	(159,650)	15,259,655	602,433	1,026,577	1486%
202001	5,831,686	132,725	5,964,411	498,966	850,263	701%
202002	3,868,878	0	3,868,878	546,736	931,667	415%
202101	2,241,744	(205)	2,241,539	2,020,032	3,442,239	65%
202102	2,982,214	0	2,982,214	1,188,377	2,025,057	147%
202201	2,722,606	(1,885)	2,720,721	746,527	1,272,120	214%
202202	5,787,761	0	5,787,761	1,789,509	3,049,415	190%
202301	6,964,165	0	6,964,165	499,680	851,480	818%
202302	1,625,772	0	1,625,772	2,419,016	4,122,128	39%
202401	4,229,024	0	4,229,024	1,157,680	1,972,747	214%
202402	3,327,693	0	3,327,693	692,087	1,179,353	282%
Total	131,084,697	(631,449)	130,453,248	40,944,679	69,771,845	187%

A. IU IR Distribution Adjustment

per Exhibit CF-9.10 **1.70**

(5) Ontario Exhibit AUTO1101 - incurred loss amounts for major coverage type = AB, section number = 19

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Interurban Vehicles - Fleets Loss Transfer
Data as of 12/31/2024

(1)	(2) Exhibit CF-9.10	(3) Exhibit CF-9.10	(4) (2) + (3)	(5) See Note	(6) (5) * A.	(7) (4) / (6)
Accident Semester	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed	Net Loss Transfer	Ontario Accident Benefits Total Excluding Loss Transfer	Alberta Accident Benefits Total Excluding Loss Transfer, Imputed	Net Loss Transfer as a Percent of Accident Benefits Total Excluding Loss Transfer
201501	784,916	0	784,916	419,897	715,526	110%
201502	1,515,292	0	1,515,292	154,324	262,976	576%
201601	2,720,967	0	2,720,967	520,394	886,778	307%
201602	2,884,785	0	2,884,785	1,390,972	2,370,288	122%
201701	6,955,157	0	6,955,157	131,847	224,674	3096%
201702	11,524,025	0	11,524,025	315,004	536,783	2147%
201801	5,402,160	0	5,402,160	1,756,794	2,993,667	180%
201802	3,931,956	0	3,931,956	1,265,465	2,156,417	182%
201901	1,226,109	0	1,226,109	1,163,593	1,982,822	62%
201902	11,953,377	14,839	11,968,216	379,408	646,531	1851%
202001	1,881,642	0	1,881,642	1,369,594	2,333,859	81%
202002	2,035,890	0	2,035,890	77,468	132,009	1542%
202101	5,998,817	98,490	6,097,307	580,169	988,638	617%
202102	8,934,126	(9,587)	8,924,540	1,831,019	3,120,152	286%
202201	1,123,676	0	1,123,676	719,983	1,226,887	92%
202202	5,293,166	5,083	5,298,249	3,042,845	5,185,164	102%
202301	3,196,570	0	3,196,570	5,477,017	9,333,120	34%
202302	4,483,071	5,230	4,488,301	2,872,209	4,894,392	92%
202401	9,607,901	64,091	9,671,992	1,002,691	1,708,637	566%
202402	1,755,318	0	1,755,318	2,782,087	4,740,819	37%
Total	93,208,922	178,147	93,387,069	27,252,779	46,440,141	201%
			A. IU - F Distribution Adjustment	per Exhibit CF-9.10	1.70	

Notes
(5)

Ontario Exhibit AUTO1101 - incurred loss amounts for major coverage type = AB, section number = 5

Appendix
Exhibit CF-9.7

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Motorcycles Loss Transfer
Data as of 12/31/2024

(1)	(2) See Note	(3) Exhibit CF-9.10	(4) (2) + (3)	(5) See Note	(6) (5) * A.	(7) (2) / (6)	(8) (3) / (6)	(9) (4) / (6)
Accident Semester	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed	Net Loss Transfer	Ontario Accident Benefits Total Excluding Loss Transfer	Alberta Accident Benefits Total Excluding Loss Transfer, Imputed	Outgoing Loss Transfer Payments as a Percent of Accident Benefits Total Excluding Loss Transfer	Loss Transfer Recovery Amounts as a Percent of Accident Benefits Total Excluding Loss Transfer	Net Loss Transfer as a Percent of Accident Benefits Total Excluding Loss Transfer
201501	0	(33,390,954)	(33,390,954)	29,695,601	45,638,301	0%	-73%	-73%
201502	0	(75,090,235)	(75,090,235)	56,767,027	87,243,584	0%	-86%	-86%
201601	0	(18,129,508)	(18,129,508)	25,789,929	39,635,788	0%	-46%	-46%
201602	0	(50,583,368)	(50,583,368)	45,001,743	69,161,863	0%	-73%	-73%
201701	0	(20,511,545)	(20,511,545)	20,924,312	32,157,963	0%	-64%	-64%
201702	0	(49,163,891)	(49,163,891)	49,329,501	75,813,068	0%	-65%	-65%
201801	0	(13,159,589)	(13,159,589)	27,187,035	41,782,959	0%	-31%	-31%
201802	0	(27,879,300)	(27,879,300)	42,721,251	65,657,041	0%	-42%	-42%
201901	0	(16,664,294)	(16,664,294)	18,714,714	28,762,097	0%	-58%	-58%
201902	0	(36,743,247)	(36,743,247)	47,370,072	72,801,678	0%	-50%	-50%
202001	0	(8,568,250)	(8,568,250)	32,023,080	49,215,335	0%	-17%	-17%
202002	0	(16,318,176)	(16,318,176)	42,872,574	65,889,605	0%	-25%	-25%
202101	0	(7,809,455)	(7,809,455)	34,575,339	53,137,827	0%	-15%	-15%
202102	0	(17,897,223)	(17,897,223)	62,877,875	96,635,167	0%	-19%	-19%
202201	0	1,954,624	1,954,624	26,458,258	40,662,923	0%	5%	5%
202202	0	(30,407,994)	(30,407,994)	51,388,014	78,976,736	0%	-39%	-39%
202301	0	(12,507,988)	(12,507,988)	29,822,536	45,833,383	0%	-27%	-27%
202302	0	(18,221,256)	(18,221,256)	57,931,000	89,032,460	0%	-20%	-20%
202401	0	(16,427,920)	(16,427,920)	29,931,350	46,000,617	0%	-36%	-36%
202402	0	(22,020,487)	(22,020,487)	48,691,937	74,833,214	0%	-29%	-29%
Total	0	(489,540,059)	(489,540,059)		2015-1 - 2019-2 2020-1 - 2022-1 2022-2 - 2024-2 All years	0% 0% 0% 0%	-59% -14% -30% -41%	-59% -14% -30% -41%
		A.	MC Distribution Adjustment	1.54 per Exhibit CF-9.10				
				A. Selected Loss Transfer Percent of Accident Benefits Total per(9)		0%	-30%	-30%
				B. Care-First MC Estimated Accident Benefits Loss Cost nadaRCareFirst/Analysis/Motorcycle/RC			785.30	
				C. Estimated Care-First Savings from Loss Transfer A. * B.		0.00	(235.59)	(235.59)

Notes

(2)

(5)

No outgoing payments for motorcycles
Ontario Exhibit AUTO7003 - incurred loss amounts for loss codes 37, 40, 41, 42, 43, 45, 46, 48, 80, 81, 82, 83, 84, 85, 86, and 87.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

ATV Loss Transfer
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	See Note	Exhibit CF-9.10	(2) + (3)	See Note		(4) / (6)
Accident Semester	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed	Net Loss Transfer	Ontario Accident Benefits Total Excluding Loss Transfer	Alberta Accident Benefits Total Excluding Loss Transfer, Imputed	Net Loss Transfer as a Percent of Accident Benefits Total Excluding Loss Transfer
201501	0	(310,141)	(310,141)	2,974,867	3,928,238	-8%
201502	0	(41,961)	(41,961)	14,681,750	19,386,886	0%
201601	0	(1,985,469)	(1,985,469)	4,121,195	5,441,936	-36%
201602	0	(2,440)	(2,440)	5,827,934	7,695,642	0%
201701	0	0	0	5,262,775	6,949,364	0%
201702	0	(133,250)	(133,250)	6,533,915	8,627,873	-2%
201801	0	(42,839)	(42,839)	2,988,184	3,945,823	-1%
201802	0	(11,964)	(11,964)	7,040,074	9,296,243	0%
201901	0	(403,144)	(403,144)	3,528,390	4,659,151	-9%
201902	0	(3,104)	(3,104)	8,696,305	11,483,255	0%
202001	0	0	0	5,966,889	7,879,129	0%
202002	0	(60,890)	(60,890)	8,075,146	10,663,030	-1%
202101	0	(135,522)	(135,522)	2,149,847	2,838,820	-5%
202102	0	(6,347)	(6,347)	6,743,658	8,904,833	0%
202201	0	0	0	1,416,749	1,870,782	0%
202202	0	(181,730)	(181,730)	5,655,775	7,468,310	-2%
202301	0	0	0	3,597,384	4,750,256	0%
202302	0	0	0	6,639,325	8,767,064	0%
202401	0	0	0	4,480,830	5,916,825	0%
202402	0	(11)	(11)	3,485,436	4,602,432	0%
Total	0	(3,318,813)	(3,318,813)	109,866,428	145,075,890	-2%
				A. ATV Distribution Adjustment	1.32	

Notes

- (2) Ontario Exhibit AUTO7003 - incurred loss amounts for loss code 7
- (8) Ontario Exhibit AUTO7003 - incurred loss amounts for loss codes 60, 61, 62, 63, 65, 66, 68, 90, 91, 92, 93, 94, 95, 96, and 97
- (3) & (6) Adjusted based on differences in vehicle distributions between Ontario and Alberta.
- (5) Ontario Exhibit AUTO7003 - incurred loss amounts for loss codes 37, 40, 41, 42, 43, 45, 46, 48, 80, 81, 82, 83, 84, 85, 86, and 87.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Total Loss Transfer Amounts
Data as of 12/31/2024

(1)	(2) Table: 23-10-0308-01	(3) Table: 23-10-0308-01	(4)
Vehicle Class	Alberta Estimated 2027 Earned Vehicles	Estimated Net Loss Transfer per Earned Vehicle	Total Net Loss Transfer Amounts
Private Passenger Vehicle	3,140,668	(4.83)	(15,157,452)
Commercial Vehicles	302,622	117.52	35,563,865
Motorcycles	181,789	(235.59)	(42,827,511)
Implied Total Net Amount for Interurban and ATV			22,421,097
Total			0

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Loss Transfer Data
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Ontario Outgoing Payments, Raw								Ontario Incoming Recoveries, Raw						Balancing Factors		
Accident Semester	PPV	CV	IU IR	IU Fleets	MC	ATV	Subtotal Ontario Outgoing Payments, Raw	PPV	CV	IU IR	IU Fleets	MC	ATV	Subtotal Ontario Incoming Recoveries, Raw	Ontario Outgoing Payments, Raw	Ontario Incoming Recoveries, Raw
201501	19,485,593	10,552,553	4,303,930	307,620	0	0	34,649,695	(13,950,974)	(158,175)	0	0	(22,092,874)	(91,697)	(36,293,720)	1,024	0,977
201502	48,317,785	26,203,184	2,300,234	615,980	0	0	77,437,182	(23,321,470)	(1,159,967)	(52,357)	0	(48,483,889)	(11,770)	(73,029,453)	0,972	1,030
201601	23,295,580	14,345,195	4,881,563	1,309,489	0	0	43,831,826	(22,472,016)	(588,863)	0	0	(19,924,334)	(571,299)	(43,557,142)	0,997	1,003
201602	38,970,769	19,931,999	1,604,043	1,267,660	0	0	61,774,470	(19,445,120)	(1,247,791)	0	0	(35,723,274)	(673)	(56,416,858)	0,957	1,047
201701	15,310,394	11,040,360	2,893,062	2,893,062	0	0	32,136,877	(16,745,164)	(986,277)	0	0	(15,888,238)	0	(35,619,674)	1,023	0,978
201702	33,472,623	14,459,407	5,107,574	5,107,574	0	0	58,147,178	(6,943,112)	(271,414)	0	0	(29,840,963)	0	(48,737,746)	0,919	1,097
201801	13,097,127	9,902,031	4,815,629	2,502,534	0	0	30,317,321	(16,508,779)	(503,804)	(1,285)	0	(11,325,071)	(11,964)	(28,350,930)	0,968	1,035
201802	33,948,477	12,875,277	3,495,348	2,070,355	0	0	52,389,457	(23,454,687)	(107,632)	0	0	(30,289,141)	(3,505)	(53,854,965)	1,014	0,986
201901	14,639,173	11,666,667	4,405,328	532,837	0	0	31,044,005	(16,765,865)	(632,743)	(112,319)	0	(13,977,608)	(117,540)	(31,606,075)	1,009	0,991
201902	27,618,842	13,373,019	7,136,935	5,532,706	0	0	53,661,502	(20,654,544)	(305,844)	(40,063)	3,724	(23,577,956)	(814)	(44,575,498)	0,915	1,102
202001	14,594,083	5,971,072	3,556,107	1,147,407	0	0	25,268,669	(9,528,072)	(32,511)	30,944	0	(8,886,458)	0	(18,416,097)	0,864	1,186
202002	22,167,478	13,363,561	2,127,977	1,119,789	0	0	38,778,806	(15,571,303)	(237,675)	0	0	(15,610,962)	(15,755)	(31,435,695)	0,905	1,117
202101	6,640,408	3,512,932	1,017,578	2,722,998	0	0	13,893,915	(7,224,388)	(31,678)	(56)	26,812	(6,201,805)	(38,554)	(13,469,668)	0,985	1,016
202102	18,991,272	5,659,054	1,611,761	4,828,518	0	0	31,090,605	(8,774,983)	(334,387)	0	(2,168)	(12,394,951)	(1,500)	(21,507,989)	0,846	1,223
202201	9,773,866	4,958,962	2,216,632	914,850	0	0	17,864,310	(6,943,112)	(271,414)	(392)	0	(3,569,165)	0	(10,784,083)	0,802	1,328
202202	19,223,519	5,650,932	2,440,002	2,231,491	0	0	29,545,944	(6,139,573)	(153,881)	0	1,225	(16,479,429)	(45,766)	(22,817,424)	0,886	1,147
202301	4,721,189	3,619,693	2,998,364	1,376,257	0	0	12,715,503	(4,033,307)	(20,440)	0	0	(4,699,680)	0	(8,753,427)	0,844	1,226
202302	11,464,580	4,681,051	734,933	2,026,579	0	0	18,907,143	(2,736,747)	(281,469)	0	1,032	(7,466,463)	0	(10,483,477)	0,777	1,402
202401	3,487,301	1,213,087	1,579,972	3,589,531	0	0	9,869,890	(1,436,982)	(2,799)	0	13,160	(4,402,087)	0	(5,828,708)	0,795	1,347
202402	8,002,602	2,671,435	981,565	517,764	0	0	12,173,366	(898,502)	(8,500)	0	0	(9,834,274)	(3)	(10,741,279)	0,941	1,067
Total	387,022,661	195,651,471	60,208,536	42,614,999	0	0	685,497,667	(255,239,874)	(7,293,282)	(175,528)	43,785	(340,668,617)	(946,585)	(604,280,050)		

(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
Ontario Outgoing Payments, Balanced								Ontario Incoming Recoveries, Balanced						Balancing Factors		
Accident Semester	PPV	CV	IU IR	IU Fleets	MC	ATV	Subtotal Ontario Outgoing Payments, Balanced	PPV	CV	IU IR	IU Fleets	MC	ATV	Subtotal Ontario Incoming Recoveries, Balanced	Ontario Outgoing Payments, Balanced	Ontario Incoming Recoveries, Balanced
201501	19,947,860	10,802,897	4,406,034	314,917	0	0	35,471,708	(13,635,000)	(154,593)	0	0	(21,592,495)	(89,620)	(35,471,708)	1,000	1,000
201502	46,942,659	25,457,441	2,234,769	598,449	0	0	75,233,318	(24,025,260)	(1,194,972)	(53,937)	0	(49,947,024)	(12,125)	(75,233,318)	1,000	1,000
201601	23,222,586	14,300,246	4,866,267	1,305,385	0	0	43,694,484	(22,542,874)	(590,720)	0	0	(19,987,158)	(573,732)	(43,694,484)	1,000	1,000
201602	37,280,829	19,067,662	1,534,485	1,212,689	0	0	59,095,664	(20,368,420)	(1,307,039)	0	0	(37,419,500)	(705)	(59,095,664)	1,000	1,000
201701	15,663,605	11,295,061	2,959,805	2,959,805	0	0	32,878,276	(16,375,891)	(964,527)	0	0	(15,537,857)	0	(32,878,276)	1,000	1,000
201702	30,764,337	13,289,489	4,694,318	4,694,318	0	0	53,442,462	(20,433,022)	(249,386)	0	0	(32,721,549)	(38,505)	(53,442,462)	1,000	1,000
201801	12,672,379	9,580,902	4,659,455	2,421,376	0	0	29,334,112	(17,081,303)	(521,276)	(1,329)	0	(11,717,824)	(12,379)	(29,334,112)	1,000	1,000
201802	34,423,303	13,055,359	3,544,236	2,099,312	0	0	53,122,211	(23,135,561)	(106,168)	0	0	(29,877,025)	(3,457)	(53,122,211)	1,000	1,000
201901	14,569,888	11,772,283	4,445,209	537,661	0	0	31,325,040	(16,616,786)	(677,117)	(111,320)	0	(13,853,322)	(116,495)	(31,325,040)	1,000	1,000
201902	25,280,621	12,240,854	6,532,720	5,064,305	0	0	49,118,500	(22,759,594)	(337,015)	(44,147)	4,103	(25,980,951)	(897)	(49,118,500)	1,000	1,000
202001	12,615,209	5,161,429	3,073,919	991,825	0	0	21,842,383	(11,300,755)	(38,560)	36,701	0	(10,539,770)	0	(21,842,383)	1,000	1,000
202002	20,068,674	10,298,607	1,926,502	1,013,768	0	0	35,107,250	(17,389,965)	(265,434)	0	0	(17,434,256)	(17,595)	(35,107,250)	1,000	1,000
202101	6,539,026	3,459,299	1,002,042	2,681,425	0	0	13,681,792	(7,338,159)	(32,177)	(57)	27,235	(6,299,472)	(39,161)	(13,681,792)	1,000	1,000
202102	16,064,567	4,786,949	1,363,376	4,084,405	0	0	26,299,297	(10,729,775)	(408,878)	0	0	(11,834)	(26,299,297)	1,000	1,000	
202201	7,837,010	3,976,260	1,777,369	733,557	0	0	14,324,197	(9,222,342)	(360,512)	(521)	0	(4,740,822)	0	(14,324,197)	1,000	1,000
202202	17,034,626	5,007,486	2,162,171	1,977,401	0	0	26,181,684	(7,044,808)	(176,750)	0	1,406	(18,909,199)	(52,514)	(26,181,684)	1,000	1,000
202301	3,985,642	3,055,755	2,531,228	1,161,840	0	0	10,734,465	(4,946,108)	(25,066)	0	0	(5,763,291)	0	(10,734,465)	1,000	1,000
202302	8,910,735	3,636,302	571,219	1,575,139	0	0	14,695,395	(3,836,220)	(394,548)	0	1,446	(10,466,073)	0	(14,695,395)	1,000	1,000
202401	2,773,371	964,740	1,256,516	2,854,672	0	0	7,849,299	(1,945,129)	(3,769)	0	17,723	(5,928,123)	0	(7,849,299)	1,000	1,000
202402	7,531,885	2,514,300	923,829	487,309	0	0	11,457,323	(958,399)	(9,067)	0	0	(10,489,854)	(3)	(11,457,323)	1,000	1,000
Total	364,128,812	185,525,022	56,465,467	38,769,558	0	0	644,888,859	(271,675,370)	(7,767,392)	(174,609)	49,261	(364,361,726)	(959,023)	(644,888,859)		

Vehicle registrations, by type of vehicle

Category	Ontario	Alberta	% CV
Total, road motor vehicle registrations	9,386,139	3,694,433	
Total, vehicles weighing 4,536 kilograms or less 5 6	8,806,814	3,207,147	
Passenger cars, weighing 4,536 kilograms or less 5	3,188,997	834,819	
Multi-purpose vehicles, weighing 4,536 kilograms or less 7	3,805,901	1,388,150	
Pickup trucks, weighing 4,536 kilograms or less 8	1,205,136	785,988	50%
Vans, weighing 4,536 kilograms or less 9	605,922	197,662	50%
Other vehicles, weighing 4,536 kilograms or less 10	858	528	
Total, vehicles weighing 4,536 to 11,793 kilograms 5 11	153,550	201,688	
Total, vehicles weighing 11,794 kilograms or more 5 12	166,657	128,617	
Buses 13	20,027	12,350	
Motorcycles and mopeds	239,091	144,631	

Relative Exposure Adjustments

Light CV	Heavy CV	PPV	Light IU	Heavy IU	MC	ATV
491,825	330,305	2,715,322			144,631	
905,529	320,207	7,901,285			239,091	
13.3%	8.9%	73.5%			3.9%	4.4%
9.6%	3.4%	84.2%			2.5%	3.3%
1.380	2.621	0.873	1.380	2.621	1.537	1.320

(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
Alberta Outgoing Payments, Imputed								Alberta Incoming Recoveries, Imputed						Balancing Factors		
Accident Semester	PPV	CV	IU IR	IU Fleets	MC	ATV	Subtotal Alberta Outgoing Payments, Imputed	PPV	CV	IU IR	IU Fleets	MC	ATV	Subtotal Alberta Incoming Recoveries, Imputed	Alberta Outgoing Payments, Imputed	Alberta Incoming Recoveries, Imputed
201501	26,766,800	26,925,678	10,981,819	784,916	0	0	65,459,213	(31,199,056)	(559,061)	0	0	(33,390,954)	(310,141)	(65,459,213)	1,000	1,000
201502	62,989,453	64,459,069	5,658,508	1,515,292	0	0	134,622,321	(54,973,628)	(4,321,442)	(195,055)	0	(75,090,235)	(41,961)	(134,622,321)	1,000	1,000
201601	31,160,952	29,807,673	10,143,328	2,720,967	0	0	73,832,921	(51,581,692)	(2,136,252)	0	0	(18,129,508)	(1,985,469)	(73,832,921)	1,000	1,000
201602	50,028,840	45,358,811	3,650,285	2,884,785	0	0	101,918,720	(46,606,196)	(4,726,716)	0	0	(50,583,368)	(2,440)	(101,918,720)	1,000	1,000
201701	21,018,023	26,541,931	6,955,157	6,955,157	0	0	61,470,269	(37,470,652)	(3,488,071)	0	0	(20,511,545)	0	(61,470,269)	1,000	1,000
201702	41,280,762	32,624,213	11,524,025	11,524,025	0	0	96,953,026	(46,754,016)	(901,869)	0	0	(49,163,891)	(133,250)	(96,953,026)	1,000	1,000
201801	17,004,282	21,375,276	10,395,382	5,402,160	0	0	54,177,101	(39,064,748)	(1,885,116)	(4,807)	0	(13,159,589)	(42,839)	(54,177,101)	1,000	1,000
201802	46,190,503	24,452,341														

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Less Transfer Allocation
Data as of 12/31/2026

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
Allocated based on Outgoing Payments by Class						Allocated based on Outgoing Payments by Class						Allocated based on Outgoing Payments by Class						Allocated based on Outgoing Payments by Class								
Ontario Outgoing Payments, Balanced						Ontario Incoming Recoveries, Balanced						Ontario Incoming Recoveries, Balanced						Ontario Incoming Recoveries, Balanced								
Accident Semester	PPV to MC	All Other MC Recoveries	CV to MC (Allocation)	IU IR to MC (Allocation)	IU F to MC (Allocation)	Total PPV Recoveries	CV to PPV	IU IR to PPV	IU F to PPV	Total CV Recoveries	CV to CV	IU IR to CV	IU F to CV	Total IU IR Recoveries	CV to IU IR	IU IR to IU IR	IU F to IU IR	Total IU F Recoveries	CV to IU F	IU IR to IU F	IU F to IU F	Total IU F Recoveries	CV to ATV	IU IR to ATV	IU F to ATV	
201501	(13,947,860)	(1,644,635)	(1,144,486)	(466,746)	(3,383)	(13,835,000)	(9,488,465)	(3,869,934)	(276,600)	(154,593)	(207,579)	(4,877)	(1,136)	-	-	-	-	-	-	-	-	-	(89,620)	(62,360)	(25,436)	(1,818)
201502	(46,942,659)	(3,004,364)	(2,137,234)	(837,324)	(6,553)	(44,025,209)	(21,619,298)	(11,619,298)	(500,220)	(1,194,972)	(1,075,308)	(94,395)	(29,278)	(53,937)	(48,535)	(4,261)	(1,141)	-	-	-	-	-	(12,125)	(10,913)	(994)	(256)
201601	(23,232,586)	1,336,439	2,260,945	700,076	206,396	(21,542,814)	(15,346,866)	(5,384,477)	(4,873,443)	(590,720)	(403,030)	(184,617)	(13,607)	-	-	-	-	-	-	-	-	-	(573,732)	(402,738)	(136,379)	(36,944)
201602	(37,286,829)	(138,671)	(121,208)	(9,754)	(7,709)	(37,394,400)	(17,803,396)	(4,832,742)	(1,112,282)	(1,307,039)	(1,142,442)	(91,939)	(77,668)	-	-	-	-	-	-	-	-	-	(705)	(616)	(50)	(9)
201701	(15,964,605)	748	82,657	21,620	2,620	(16,073,811)	(10,144,313)	(2,835,588)	(2,835,588)	(946,527)	(862,810)	(163,890)	(166,890)	-	-	-	-	-	-	-	-	-	-	-	-	-
201702	(30,746,337)	(1,807,211)	(1,146,635)	(405,188)	(6,257)	(29,033,022)	(11,973,849)	(4,229,587)	(4,229,587)	(296,366)	(146,142)	(55,622)	(55,622)	-	-	-	-	-	-	-	-	-	-	-	-	-
201801	(12,872,179)	954,555	548,892	266,941	18,771	(12,881,303)	(9,622,166)	(4,776,788)	(2,460,350)	(521,276)	(299,746)	(145,775)	(79,355)	-	-	-	-	-	-	-	-	-	(12,379)	(7,118)	(3,662)	(1,799)
201802	(24,423,303)	4,566,778	3,174,158	1,504,407	881,713	(21,135,561)	(16,423,978)	(4,885,170)	(3,970,421)	(206,348)	(74,126)	(20,123)	(13,938)	(1,329)	(764)	(372)	(193)	-	-	-	-	-	(12,379)	(7,118)	(3,662)	(1,799)
201901	(14,569,888)	716,566	503,464	190,108	22,994	(14,569,888)	(11,875,066)	(4,688,500)	(3,320,230)	(627,117)	(460,658)	(166,377)	(20,124)	(111,320)	(78,214)	(28,534)	(3,572)	-	-	-	-	-	(116,495)	(81,850)	(30,007)	(3,748)
201902	(25,280,621)	(700,330)	(559,623)	(154,744)	(8,254)	(24,799,594)	(11,487,150)	(6,237,238)	(4,832,230)	(937,055)	(173,098)	(92,358)	(73,998)	(144,143)	(122,669)	(12,998)	(9,378)	4,103	2,107	-	-	-	-	-	-	-
202001	(12,615,209)	2,075,439	1,160,944	691,467	228,088	(10,539,770)	(6,321,334)	(3,764,707)	(1,214,714)	(38,560)	(21,569)	(12,846)	(4,145)	-	-	-	-	-	-	-	-	-	(1,077)	(461)	(549)	(151)
202002	(20,068,674)	2,634,418	2,119,949	337,479	177,589	(17,389,665)	(13,889,363)	(2,227,724)	(1,172,278)	(265,434)	(213,538)	(34,002)	(17,893)	-	-	-	-	-	-	-	-	-	(897)	(595)	(145)	(118)
202101	(6,539,026)	239,554	116,618	33,696	89,950	(6,399,472)	(3,533,930)	(1,629,463)	(2,784,778)	(31,177)	(53,588)	(4,514)	(12,079)	(57)	(27)	(8)	(21)	27,235	13,190	3,821	10,234	27,235	13,190	3,821	10,234	
202102	(16,064,567)	908,408	434,877	121,600	362,521	(15,729,775)	(5,018,489)	(1,429,321)	(4,281,964)	(408,878)	(351,289)	(54,627)	(163,172)	-	-	-	-	(2,651)	(1,240)	(153)	(1,058)	(1,834)	(588)	(244)	(732)	
202201	(7,637,009)	3,096,189	1,897,779	842,298	251,110	(9,232,842)	(5,527,746)	(2,526,752)	(1,042,842)	(505,522)	(220,973)	(89,774)	(40,765)	(31)	(20)	(43)	(59)	-	-	-	-	-	-	-	-	-
202202	(17,034,626)	(1,874,573)	(1,026,221)	(463,249)	(405,243)	(15,910,099)	(8,656,625)	(1,665,243)	(1,522,939)	(1,665,625)	(41,737)	(38,171)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
202301	(1,985,942)	(1,777,600)	(694,890)	(666,729)	(306,030)	(4,346,208)	(2,239,516)	(1,855,077)	(851,495)	(2,066)	(11,349)	(4,021)	(6,315)	-	-	-	-	-	-	-	-	-	-	-	-	-
202302	(9,920,793)	(1,555,339)	(978,441)	(513,661)	(451,521)	(13,862,202)	(4,124,817)	(978,816)	(1,646,587)	(994,548)	(248,153)	(38,969)	(107,434)	-	-	-	-	3,446	910	143	394	-	-	-	-	
202401	(2,773,171)	(1,154,752)	(599,598)	(279,244)	(174,214)	(1,983,929)	(1,315,129)	(867,794)	(479,030)	(1,088,365)	(3,769)	(718)	(933)	-	-	-	-	17,723	3,368	4,387	9,967	-	-	-	-	
202402	(7,531,883)	(2,957,969)	(1,894,622)	(867,266)	(693,399)	(5,636,914)	(3,051,594)	(1,618,977)	-	(9,627)	(6,007)	(2,134)	(1,126)	-	-	-	-	-	-	-	-	-	(3)	(2)	(1)	(8)
Total	(364,128,812)	(232,916)	1,508,723	89,828	(1,811,465)	(274,475,370)	(180,740,962)	(44,993,604)	(35,940,805)	(7,302,362)	(5,330,090)	(1,310,488)	(926,814)	(174,609)	(130,000)	(34,388)	(10,420)	49,261	19,105	9,454	20,703	(959,023)	(651,790)	(226,468)	(80,756)	
Control	(364,128,812)	(232,916)	1,508,723	89,828	(1,811,465)	(274,475,370)	(180,740,962)	(44,993,604)	(35,940,805)	(7,302,362)	(5,330,090)	(1,310,488)	(926,814)	(174,609)	(130,000)	(34,388)	(10,420)	49,261	19,105	9,454	20,703	(959,023)	(651,790)	(226,468)	(80,756)	
Sender Adjustment	PPV	Heavy CV	Heavy IU	Heavy IU	Heavy IU	PPV	Heavy CV	Heavy IU	Heavy IU	PPV	Heavy CV	Heavy IU	Heavy IU	PPV	Heavy CV	Heavy IU	Heavy IU	PPV	Heavy CV	Heavy IU	Heavy IU	PPV	Heavy CV	Heavy IU	Heavy IU	PPV
Receiver Adjustment	MC	MC	MC	MC	MC	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV	PPV
Sender Adjustment	1.573	2.621	2.621	2.621	2.621	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873	0.873
Receiver Adjustment	1.573	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537	1.537

Accident Semester	PPV to MC	All Other MC Recoveries	CV to MC (Allocation)	IU IR to MC (Allocation)	IU F to MC (Allocation)	Total PPV Recoveries	CV to PPV	IU IR to PPV	IU F to PPV	Total CV Recoveries	CV to CV	IU IR to CV	IU F to CV	Total IU IR Recoveries	CV to IU IR	IU IR to IU IR	IU F to IU IR	Total IU F Recoveries	CV to IU F	IU IR to IU F	IU F to IU F	Total IU F Recoveries	CV to ATV	IU IR to ATV	IU F to ATV
201501	(26,766,800)	(4,609,688)	(3,880,091)	(1,514,378)	(1,880,021)	(21,711,123)	(8,855,027)	(3,521,905)	(3,521,905)	(380,045)	(158,675)	(13,341)	-	-	-	-	-	-	-	-	-	-	(215,824)	(88,025)	(6,292)
201502	(62,989,413)	(20,988,039)	(19,558,979)	(2,515,975)	(2,515,975)	(49,481,437)	(4,342,241)	(1,263,889)	(1,263,889)	(3,886,666)	(241,266)	(93,414)	(4,126)	-	-	-	-	-	-	-	-	-	(37,560)	(13,413)	(888)
201601	(31,180,952)	9,102,862	3,097,636	830,947	3,186,210)	(26,083,147)	(12,261,211)	(3,289,094)	(3,289,094)	(4,492,237)	(507,797)	(1,389,094)	-	-	-	-	-	-	-	-	-	-	(1,386,911)	(471,953)	(126,639)
201602	(50,024,840)	(488,132)	(392,888)	(1,049,691)	(1,049,691)	(49,737,022)	(3,278,342)	(2,550,843)	(2,550,843)	(4,111,474)	(332,483)	(262,759)	-	-	-	-	-	-	-	-	-	-	(2,132)	(1,572)	(158)
201701	(21,028,020)	87,881	87,881	87,881	87,881	(21,028,020)	(4,845,167)	(4,845,167)	(4,845,167)	(2,288,628)	(599,722)	(599,722)	-	-	-	-	-	-	-	-	-	-	-	-	-
201702	(41,280,782)	(4,619,511)	(1,631,789)	(1,631,789)	(1,631,789)	(37,048,077)	(6,677,969)	(3,677,969)	(3,677,969)	(5,581,508)	(180,485)	(180,485)	-	-	-	-	-	-	-	-	-	-	(78,083)	(27,582)	(7,582)
201801	(17,094,262)	2,210,752	1,071,369	558,712	558,712	(15,883,510)	(10,030,033)	(5,660,033)	(5,660,033)	(3,083,989)	(527,173)	(273,956)	-	-	-	-	-	-	-	-	-	-	(24,333)	(11,980)	(6,266)
201802	(46,190,783)	12,784,668	3,470,760	2,055,785	2,055,785	(33,406,115)	(18,965,944)	(10,033,970)	(10,033,970)	(208,062)	(72,773)	(43,105)	-	-	-	-	-	-	-	-	-	-	-	-	-
201901	(11,550,412)	2,027,620	767,764	334,644	334,644	(9,522,792)	(3,087,351)	(1,220,094)	(1,220,094)	(3,931,426)	(662,077)	(272,774)	-	-	-	-	-	-	-	-	-	-	(18,512)	(10,946)	(12,877)
201902	(13,922,562)	(1,444,665)	(773,019)	(599,961)	(599,961)	(12,444,209)	(8,624,251)	(2,779,459)	(2,779,459)	(5,851,841)	(134,000)	(254,924)	-	-	-	-	-	-	-	-	-	-	(1,594)	(951)	(659)
202001	(16,927,580)	4,675,975	2,784,804	898,540	898,540	(12,251,605)	(7,445,750)	(4,168,768)	(4,168,768)	(7,002)	(46,454)	(14,389)	-	-	-	-	-	-	-	-	-	7,620	4,067	3,512	14,267
202002	(28,508,183)	6,536,176	1,109,278	715,282	715,282	(21,971,907)	(15,097,388)	(2,463,368)	(2,463,368)	(772,228)	(121,968)	(64,708)	-	-	-	-	-	-	-	-	-	-	-	-	-
202101	(8,774,115)	467,289	135,358	362,213	362,213	(8,306,826)	(2,355,538)	(833,368)	(833,368)	(6,356)	(16,324)	(4,683)	-	-	-	-									

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Forecasted Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
		ICBC 2021 RRA	Selected	Exhibit CF-2.7	PRODUCT((2) - (5))
Coverage	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	ICBC Claimant/Claim Factor	Additional Claims Factor	No-Fault Frequency Adjustment Factor	Final Selected Claimant Frequency
Health care and Related Expenses	9.5 Exhibit CF-2.2	1.25	1.050	0.90	11.2
Income Replacement & Other Monetary Benefits	1.2 Exhibit CF-2.3	1.12		1.75	2.4
Death Benefits and Related Expenses	0.1 Exhibit CF-2.4	1.60		1.00	0.1
Permanent Impairment	0.7 Exhibit CF-3	1.60			1.1
Uninsured Automobile	0.005 Exhibit CF-2.5	1.26			0.006

Notes:

Uninsured Automobile Conservatively assumes current excess and uninsured claims aren't associated with current claims for other accident benefits subcoverages.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Forecasted Severity
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Exhibit CF-4	See Note	Exhibit CF-5.2	Exhibit CF-5.4	Exhibit CF-5.5	Exhibit CF-6.4	Exhibit CF-6.6	Exhibit CF-6.7	Exhibit CF-7.4	Exhibit CF-8	MPI 2026 GRA Figure RI-13	PRODUCT((2) - (12))
Accident Year	Severity at 1/1/2028 Cost Level	All-Vehicle Class to PPV Adjustment	Second Payer Adjustment	Economic (Wage Distribution & Benefit Limit) Adjustment	Average Time to Return to Work Adjustment	Healthcare Cost Adjustment	Wait-Time Adjustment Factor	Vehicle Distribution Adjustment	Wage Distribution Adjustment	PIPP Enhancement Adjustment	Unallocated Loss Adjustment Expense	Final Selected Claimant Severity
Health care and Related Expenses	9,543	1.000				1.200	1.000	1.050		1.073	1.130	14,578
Income Replacement & Other Monetary Benefits	76,701	1.000	0.825	1.150	1.325					1.016	1.130	110,669
Death Benefits and Related Expenses	70,873	1.000							1.096		1.130	87,753
Permanent Impairment	29,183	1.000						1.050			1.130	34,626
Uninsured Automobile												32,351

Notes

- (3) MPI severity reflects all vehicle classes. Based on 2026 MPI GRA Figure RI-12, PPV makes up approximately 90% of 2025/26 written premium. Below, we look at the indicated PPV to overall class loss cost relativity. We understand the loss cost relativity would include both frequency and severity effects; however, we find it a useful indication to review when comparing the PPV severity to the overall class severity. Due to the fact that PPV makes up a large percentage of the total and the indications are all close to 1.000, we select a factor of 1.000 for all Accident Benefits subcoverages.

	Acc. Benefits Other (Ind)	Acc. Benefits Other (Non-Ind)	Income Replacement Indemnity	
A	Balanced Pure Premium + "Pool" Claims Costs	66.26	33.24	81.01 MPI 2026 GRA Figure RI-11
B.1	Discounted Projected All Class Loss Cost	50.95	27.62	64.12 MPI 2026 GRA Part VIII - RI Appendix 2 Table 1 (Divide 2026/27 Rating Year Discounted Ultimate Claim Costs by Forecasted HTA Units of 1,359,974)
B.2	Discounted Projected Non-HTA Loss Cost	0.00	0.00	0.00 MPI 2026 GRA Figure RI-11
B.3	2026/27 Projected Units	1,359,974	1,359,974	1,359,974 MPI 2026 GRA Figure RI-13
B.4	2026/27 Projected HTA Units	1,011,631	1,011,631	1,011,631 MPI 2026 GRA Figure RI-13
B.5	HTA Adjusted Loss Cost	68.50	37.13	86.19 (B.1 * B.3 - B.2 * (B.3 - B.4) / B.4
	Ratio of PPV to All Class Loss Cost	0.967	0.895	0.940 A / B.5

- (9) Reflects differences in severity due to differences in the distribution of vehicle weights.
For Income Replacement & Other Monetary Benefits we expect the effect of higher vehicle weights is captured through (6)
Severity adjustment not required for Death Benefits and Related Expenses
Reflects differences in injury severity, triggering a higher lump sum, due differences in vehicle weights.

- (12) Calculated as
- | | | | |
|---|----------|-----------|----------------------|
| Fixed Claims Expense Per Unit (Proportional) | 40.10 | A | MPI 2026 GRA, RI 2.2 |
| Variable Claims Expense Per Unit (Proportional), PPV | 139.29 | B | MPI 2026 GRA, RI 2.2 |
| Claims Cost per Unit (Discounted to End of the RY), PPV | 1,071.46 | C | MPI 2026 GRA, RI 2.2 |
| ULAE Factor | 1.130 | 1 + B / C | |

The ULAE ratio in Alberta for 2015 through 2024, excluding the pandemic-affected 2020 and 2021 years, averaged 10%. The MPI ULAE ratios are approximately 30% higher than the historical Alberta ratios. We considered this difference in assessing the reasonableness of our assumption. We do not include the Fixed Claims Expense per unit as this amount consists of the Manitoba Health Levy and towing contract fees. We account for the Alberta Health Levy separately.

Uninsured Automobile - We assume the distribution of claims associated with uninsured automobiles is the same as the overall distribution. We use the weighted average severity of the other subcoverages.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Selected Loss Cost
Data as of 12/31/2024

(1)	(2)	(3)	(4)
	Exhibit CF-10.1	Exhibit CF-10.2	(2) * (3) / 1000
A. Health care and Related Expenses			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	11.2	14,578	163.72
MPI 2026 GRA			91.85
ICBC 2023 RRA	16.5	15,287	252.24
B. Income Replacement & Other Monetary Benefits			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	2.4	110,669	268.58
MPI 2026 GRA			139.79
ICBC 2023 RRA	2.5	77,765	194.41
C. Death Benefits and Related Expenses			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.1	87,753	11.01
MPI 2026 GRA			Included in D.
ICBC 2023 RRA	0.2	61,940	12.39
D. Permanent Impairment			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	1.1	34,626	39.12
MPI 2026 GRA			33.24
ICBC 2023 RRA	1.7	24,505	41.66
E. Uninsured Automobile			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.01	32,351	0.20
E. Total Accident Benefits			
	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Alberta - Care First	14.9	32,364	482.62
Alberta - Current (Tort)	10.9	14,533	157.88
MPI 2026 GRA			264.87
ICBC 2023 RRA	20.9	23,957	500.69

Notes:
MPI 2026 GRA captures ULAE and PIPP Enhancement costs separately, which are included in the Care-First loss costs.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Bodily Injury Care-First Discount Factor
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	MPI 2026 GRA Part VIII - RI Appendix 2 Table 2				See Note	$1 / (1 + (5))^{(6)}$	$(4) * (7)$
Development Year	Accident Year		Rating Year 2026/27	Interest Rate	Discount Length	Discount Factor	Discounted Paid
	2026/27	2027/28					
2026/27	95		41				
Q1	2		0	3.0%	0.12	99.6%	0
Q2	6		2	3.0%	0.37	98.9%	2
Q3	35		13	3.0%	0.62	98.2%	13
Q4	52		26	3.0%	0.87	97.5%	25
2027/28	814	99	545				
Q1	98	2	60	3.0%	1.12	96.7%	58
Q2	228	6	142	3.0%	1.37	96.0%	136
Q3	216	37	152	3.0%	1.62	95.3%	145
Q4	273	54	191	3.0%	1.87	94.6%	180
2028/29	1,617	844	1,308				
Q1	404	101	283	3.0%	2.12	93.9%	266
Q2	404	236	337	3.0%	2.37	93.2%	314
Q3	404	224	332	3.0%	2.62	92.5%	307
Q4	404	283	356	3.0%	2.87	91.9%	327
2029/30	1,820	1,677	1,763	3.0%	3.50	90.2%	1,590
2030/31	1,524	1,888	1,670	3.0%	4.50	87.5%	1,462
2031/32	815	1,581	1,121	3.0%	5.50	85.0%	953
2032/33	642	845	723	3.0%	6.50	82.5%	597
2033/34	453	666	538	3.0%	7.50	80.1%	431
2034/35	264	470	346	3.0%	8.50	77.8%	269
2035/36	228	273	246	3.0%	9.50	75.5%	186
2036/37	94	237	151	3.0%	10.50	73.3%	111
2037/38	0	98	39	3.0%	11.50	71.2%	28
2038/39	0	0	0	3.0%	12.50	69.1%	0
2039/40	0	0	0	3.0%	13.50	67.1%	0
2040/41	0	0	0	3.0%	14.50	65.1%	0
Thereafter	0	0	0	3.0%	15.50	63.2%	0
	8,367	8,678	8,492				7,401
						Discount Factor on Claim Payments	0.871
						(8) Total / (4) Total	

Notes:

(2) - (4)

Loss amounts come from the MPI 2026 GRA and do not represent estimated Care-First payments. They are solely used to derive the payment pattern assumptions.

(6)

Discount from the middle of the period to 4/1/2026, the start of MPI's rating year.

Appendix
Exhibit CF-11.2

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Income Replacement & Other Monetary Benefits Care-First Discount Factor
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
			MPI 2026 GRA Part VIII - RI Appendix 2 Table 2					See Note	$1 / (1 + (8))^{(9)}$	$(7) * (10)$
Development Year	2026/27	Accident Year 2027/28	Future Claim Payment Indexation		Rating Year 2026/27		Interest Rate	Discount Length	Discount Factor	Discounted Paid
			2026/27	2027/28	Excluding Indexation	Including Indexation				
2026/27	12,588		0.0%		5,977	5,977				
Q1	831		0.0%		96	96	3.0%	0.12	99.6%	95
Q2	2,681		0.0%		751	751	3.0%	0.37	98.9%	743
Q3	3,978		0.0%		1,893	1,893	3.0%	0.62	98.2%	1,859
Q4	5,098		0.0%		3,237	3,237	3.0%	0.87	97.5%	3,155
2027/28	12,431	12,924	2.0%	0.0%	15,191	15,359				
Q1	4,711	853	2.0%	0.0%	4,123	4,191	3.0%	1.12	96.7%	4,054
Q2	3,170	2,753	2.0%	0.0%	4,106	4,148	3.0%	1.37	96.0%	3,983
Q3	2,455	4,084	2.0%	0.0%	3,711	3,743	3.0%	1.62	95.3%	3,567
Q4	2,095	5,234	2.0%	0.0%	3,251	3,278	3.0%	1.87	94.6%	3,101
2028/29	6,976	12,762	4.0%	2.0%	8,319	8,571				
Q1	1,744	4,837	4.0%	2.0%	2,425	2,495	3.0%	2.12	93.9%	2,343
Q2	1,744	3,254	4.0%	2.0%	2,120	2,184	3.0%	2.37	93.2%	2,036
Q3	1,744	2,520	4.0%	2.0%	1,954	2,014	3.0%	2.62	92.5%	1,864
Q4	1,744	2,150	4.0%	2.0%	1,820	1,878	3.0%	2.87	91.9%	1,725
2029/30	5,706	7,161	6.1%	4.0%	6,288	6,614	3.0%	3.50	90.2%	5,964
2030/31	4,834	5,859	8.2%	6.1%	5,244	5,627	3.0%	4.50	87.5%	4,926
2031/32	4,127	4,963	10.4%	8.2%	4,462	4,883	3.0%	5.50	85.0%	4,150
2032/33	3,510	4,237	12.6%	10.4%	3,801	4,243	3.0%	6.50	82.5%	3,501
2033/34	3,158	3,603	14.9%	12.6%	3,336	3,800	3.0%	7.50	80.1%	3,044
2034/35	2,977	3,242	17.2%	14.9%	3,083	3,583	3.0%	8.50	77.8%	2,787
2035/36	2,852	3,057	19.5%	17.2%	2,934	3,478	3.0%	9.50	75.5%	2,626
2036/37	2,819	2,928	21.9%	19.5%	2,863	3,462	3.0%	10.50	73.3%	2,538
2037/38	2,699	2,894	24.3%	21.9%	2,777	3,425	3.0%	11.50	71.2%	2,438
2038/39	2,623	2,771	26.8%	24.3%	2,682	3,374	3.0%	12.50	69.1%	2,332
2039/40	2,485	2,693	29.4%	26.8%	2,568	3,294	3.0%	13.50	67.1%	2,210
2040/41	2,306	2,551	31.9%	29.4%	2,404	3,145	3.0%	14.50	65.1%	2,049
2041/42	2,190	2,367	34.6%	31.9%	2,261	3,018	3.0%	15.50	63.2%	1,909
2042/43	2,041	2,248	37.3%	34.6%	2,124	2,892	3.0%	16.50	61.4%	1,776
2043/44	2,023	2,096	40.0%	37.3%	2,052	2,850	3.0%	17.50	59.6%	1,699
2044/45	1,831	2,076	42.8%	40.0%	1,929	2,732	3.0%	18.50	57.9%	1,581
2045/46	1,652	1,880	45.7%	42.8%	1,743	2,518	3.0%	19.50	56.2%	1,415
Thereafter	24,745	27,101	0.0%	0.0%	25,688	48,568	3.0%	32.42	38.4%	18,630
	106,574	109,415			107,727	141,412				94,101
									Discount Factor for Indexed Claim Payments	0.665
									(11) Total / (7) Total	

Notes:

(2) - (7)

Loss amounts come from the MPI 2026 GRA and are not applicable to estimated Care-First payments. They are solely used to derive the payment pattern assumptions.

(4) - (5)

MPI assumes future indexation of 2%. We understand Alberta benefits will index with the Alberta escalator, which we understand is the minimum of 2% or CPI inflation. Therefore, we find 2% to be a reasonable estimate for future indexation on Care-First benefit levels.

(9)

Discount from the middle of the period to 4/1/2026, the start of MPI's rating year.

Appendix
Exhibit CF-11.3

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Health care and Related Expenses Care-First Discount Factor
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
			MPI 2026 GRA Part VIII - RI Appendix 2 Table 2					See Note	1 / (1 + (8))^(9)	(7) * (10)
Development Year	Accident Year 2026/27	2027/28	Future Claim Payment Indexation		Rating Year 2026/27		Interest Rate	Discount Length	Discount Factor	Discounted Paid
			2026/27	2027/28	Excluding Indexation	Including Indexation				
2026/27	17,372		0.0%		7,472	7,472				
Q1	782		0.0%		64	64	3.0%	0.12	99.6%	64
Q2	3,648		0.0%		830	830	3.0%	0.37	98.9%	821
Q3	5,429		0.0%		2,144	2,144	3.0%	0.62	98.2%	2,105
Q4	7,513		0.0%		4,433	4,433	3.0%	0.87	97.5%	4,320
2027/28	18,275	17,704	2.0%	0.0%	23,058	23,318				
Q1	7,767	797	2.0%	0.0%	6,362	6,475	3.0%	1.12	96.7%	6,263
Q2	5,208	3,718	2.0%	0.0%	6,648	6,724	3.0%	1.37	96.0%	6,456
Q3	3,015	5,532	2.0%	0.0%	5,413	5,454	3.0%	1.62	95.3%	5,199
Q4	2,284	7,657	2.0%	0.0%	4,636	4,666	3.0%	1.87	94.6%	4,414
2028/29	5,976	18,624	4.0%	2.0%	8,993	9,246				
Q1	1,494	7,915	4.0%	2.0%	3,073	3,153	3.0%	2.12	93.9%	2,961
Q2	1,494	5,308	4.0%	2.0%	2,356	2,421	3.0%	2.37	93.2%	2,257
Q3	1,494	3,073	4.0%	2.0%	1,864	1,920	3.0%	2.62	92.5%	1,777
Q4	1,494	2,328	4.0%	2.0%	1,700	1,752	3.0%	2.87	91.9%	1,609
2029/30	3,487	6,090	6.1%	4.0%	4,528	4,755	3.0%	3.50	90.2%	4,287
2030/31	2,294	3,554	8.2%	6.1%	2,798	2,999	3.0%	4.50	87.5%	2,625
2031/32	1,666	2,338	10.4%	8.2%	1,935	2,116	3.0%	5.50	85.0%	1,799
2032/33	1,409	1,698	12.6%	10.4%	1,525	1,702	3.0%	6.50	82.5%	1,405
2033/34	1,262	1,436	14.9%	12.6%	1,332	1,517	3.0%	7.50	80.1%	1,215
2034/35	1,294	1,286	17.2%	14.9%	1,291	1,500	3.0%	8.50	77.8%	1,167
2035/36	1,326	1,318	19.5%	17.2%	1,323	1,569	3.0%	9.50	75.5%	1,185
2036/37	1,359	1,351	21.9%	19.5%	1,356	1,640	3.0%	10.50	73.3%	1,202
2037/38	1,393	1,385	24.3%	21.9%	1,390	1,715	3.0%	11.50	71.2%	1,220
2038/39	1,428	1,420	26.8%	24.3%	1,425	1,793	3.0%	12.50	69.1%	1,239
2039/40	1,449	1,455	29.4%	26.8%	1,451	1,863	3.0%	13.50	67.1%	1,250
2040/41	1,373	1,477	31.9%	29.4%	1,414	1,851	3.0%	14.50	65.1%	1,206
2041/42	1,160	1,399	34.6%	31.9%	1,256	1,675	3.0%	15.50	63.2%	1,059
2042/43	1,062	1,182	37.3%	34.6%	1,110	1,511	3.0%	16.50	61.4%	928
2043/44	1,049	1,082	40.0%	37.3%	1,062	1,476	3.0%	17.50	59.6%	880
2044/45	1,066	1,069	42.8%	40.0%	1,068	1,513	3.0%	18.50	57.9%	876
2045/46	1,030	1,087	45.7%	42.8%	1,053	1,521	3.0%	19.50	56.2%	855
Thereafter	11,497	12,766	0.0%	0.0%	12,005	20,165	3.0%	26.92	45.1%	9,100
	78,228	79,723			78,844	92,915				71,745
									Discount Factor for Indexed Claim Payments	0.772
									(11) Total / (7) Total	

Notes:

(2) - (7)

Loss amounts come from the MPI 2026 GRA and are not applicable to estimated Care-First payments. They are solely used to derive the payment pattern assumptions.

(4) - (5)

MPI assumes future indexation of 2%. We understand Alberta benefits will index with the Alberta escalator, which we understand is the minimum of 2% or CPI inflation. Therefore, we find 2% to be a reasonable estimate for future indexation on Care-First benefit levels.

(9)

Discount from the middle of the period to 4/1/2026, the start of MPI's rating year.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Death Benefits and Related Expenses Care-First Discount Factor
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	MPI 2026 GRA Part VIII - RI Appendix 2 Table 2				See Note	$1 / (1 + (5))^{(6)}$	$(4) * (7)$
Development Year	Accident Year 2026/27	2027/28	Rating Year 2026/27 Excluding Indexation	Interest Rate	Discount Length	Discount Factor	Discounted Paid
2026/27	9,113		4,591				
Q1	251		38	3.0%	0.12	99.6%	37
Q2	2,005		501	3.0%	0.37	98.9%	496
Q3	3,235		1,553	3.0%	0.62	98.2%	1,525
Q4	3,622		2,500	3.0%	0.87	97.5%	2,436
2027/28	8,883	9,729	10,216				
Q1	2,487	268	1,906	3.0%	1.12	96.7%	1,844
Q2	2,132	2,140	2,842	3.0%	1.37	96.0%	2,729
Q3	2,132	3,454	3,032	3.0%	1.62	95.3%	2,890
Q4	2,132	3,867	2,435	3.0%	1.87	94.6%	2,304
2028/29	6,911	9,483	7,808				
Q1	1,728	2,655	1,882	3.0%	2.12	93.9%	1,768
Q2	1,728	2,276	1,975	3.0%	2.37	93.2%	1,842
Q3	1,728	2,276	1,975	3.0%	2.62	92.5%	1,828
Q4	1,728	2,276	1,975	3.0%	2.87	91.9%	1,815
2029/30	6,442	7,378	6,826	3.0%	3.50	90.2%	6,155
2030/31	4,782	6,877	5,641	3.0%	4.50	87.5%	4,938
2031/32	1,508	5,105	2,983	3.0%	5.50	85.0%	2,535
2032/33	640	1,610	1,038	3.0%	6.50	82.5%	856
2033/34	292	684	453	3.0%	7.50	80.1%	363
2034/35	231	312	264	3.0%	8.50	77.8%	205
2035/36	211	246	225	3.0%	9.50	75.5%	170
2036/37	37	225	114	3.0%	10.50	73.3%	84
2037/38	107	40	80	3.0%	11.50	71.2%	57
2038/39	95	115	103	3.0%	12.50	69.1%	71
2039/40	64	102	80	3.0%	13.50	67.1%	53
2040/41	46	69	55	3.0%	14.50	65.1%	36
Thereafter	360	433	390	3.0%	18.05	58.7%	229
	39,724	42,407	40,867				37,267
						Discount Factor on Claim Payments (8) Total / (4) Total	0.912

Notes:

(2) - (4)

(6)

Loss amounts come from the MPI 2026 GRA and are not applicable to estimated Care-First payments. They are solely used to derive the payment pattern assumptions.
Discount from the middle of the period to 4/1/2026, the start of MPI's rating year.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Forecasted Required Premium - Care-First
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
			per (3)	See Note	See Note	(5) * (6)	See Note	Exhibit CP-2.1		(7) * (8) / (1 - (9) - (10))	See Note	(11) + (12)	
Coverage	Subcoverage	2024Q2 Written Vehicles	Percent of Vehicles with Coverage	Selected Loss Cost at 1/1/2028 Cost Level	Claim Payment Pattern Factor	Projected Discounted Loss Cost per Vehicle	Delay in Receiving Premiums	Estimated Variable Expense Provision	Profit Provision	Estimated Required Premium (Excluding Fixed Expense)	Allocated Fixed Expense	Estimated Required Premium	
Third Party Liability	Bodily Injury			42.00	0.871	36.60	1.007	23.2%	6%	52.09	5.51	57.60	
Third Party Liability	Property Damage			21.79	0.975	21.24	1.007	23.2%	6%	30.23	1.26	31.49	
Third Party Liability	DCPD			229.07	0.975	223.31	1.007	23.2%	6%	317.79	13.30	331.09	
Third Party Liability	Health Levy			39.29	1.000	39.29	1.007	23.2%	6%	55.91	2.34	58.24	
Third Party Liability	Total	1,547,977	100%	332.14	0.965	320.44	1.007	23.2%	6%	456.01	22.42	478.43	
Accident Benefits	Income Replacement & Other Monetary Benefits			268.58	0.665	178.72	1.007	23.2%	6%	254.33	35.26	289.60	
Accident Benefits	Health care and Related Expenses			163.72	0.772	126.42	1.007	23.2%	6%	179.90	21.50	201.39	
Accident Benefits	Death Benefits and Related Expenses			11.01	0.912	10.04	1.007	23.2%	6%	14.29	1.45	15.74	
Accident Benefits	Permanent Impairment			39.12	0.912	35.67	1.007	23.2%	6%	50.76	5.14	55.90	
Accident Benefits	Uninsured Automobile			0.20	0.727	0.14	1.007	23.2%	6%	0.20	0.03	0.23	
Accident Benefits	Accident Benefits - Total	1,542,827	100%	482.62	0.727	350.99	1.007	23.2%	6%	499.48	63.37	562.85	
Collision	Collision	1,134,024	73%	321.99	0.979	315.25	1.007	23.2%	6%	448.62	18.77	467.39	
Comprehensive	Comprehensive - Total	1,284,657	83%	358.35	0.978	350.45	1.007	23.2%	6%	498.71	20.87	519.58	
All Perils	All Perils	31,734	2%	805.48	0.977	786.92	1.007	23.2%	6%	1,119.84	46.86	1,166.69	
Specified Perils	Specified Perils	12,790	1%	110.61	0.979	108.25	1.007	23.2%	6%	154.04	6.45	160.49	
Underinsured Motorists	Underinsured Motorist	1,500,527	97%	0.16	0.825	0.13	1.007	23.2%	6%	0.19	0.45	0.64	
				D.5. Estimated Fixed Expense per Earned Vehicle			83	1.007	23.2%	6%	118.28		
Package	Basic Coverage			814.76	0.824	671	1.007	23.2%	6%	955.49	85.78	1,041.28	
Package	Full Coverage			1,495.26	0.894	1,337	1.007	23.2%	6%	1,903.01	125.88	2,028.88	

Notes

- (5) Bodily Injury per Exhibit CF-1.12
Health Levy per Exhibit CP-2.2
Accident Benefits per Exhibit CF-10.3
Underinsured Motorist per Exhibit CF-1.2
All other coverages per Exhibit CP-1.1 - Exhibit CP-1.9
- (6) Based on 5-year industry average investment income rate of 3.00% and selected payment pattern
Payment patterns for bodily injury and accident benefits come from Exhibit CF-11.1, Exhibit CF-11.2, Exhibit CF-11.3, and Exhibit CF-11.4.
For permanent impairment, we assume a X month delay in payment of the lump-sum amount. For uninsured automobile, we use a weighted average discount factor of the other accident benefits subcoverages.
- (8) Based on investment rate of 3.00% and assumed three month delay
- (12) We use the same allocated fixed expenses from Exhibit CP-3. We recognize fixed expenses would be allocated differently under Care-First. However, when considering the rate filing process for insurers, we do not intend for insurers to lose rate on fixed expenses due to a higher allocation to physical damage coverages which may not be included in the reform filing.
We do reallocate the bodily injury and accident benefits fixed expenses to recognize the shift in costs between these two coverages.

Province of Alberta
Private Passengers Vehicles
Actuarial Analysis - Reform Costing

Premium Changes under Care-First
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(8)	(8)
			per (3)	See Note	2026 SAR	Selected	See Note	See Note	Exhibit CP-3	Exhibit CF-12
	Cost Level (Written Date) -->			4/1/2025				7/1/2027	7/1/2027	7/1/2027
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	202501 Avg Written Premium	Loss Cost Trend Rate	Fixed Expense Trend	Percent Fixed	Projected Street Premium	Current Product Required Premium	Care-First Required Premium
Third Party Liability	Bodily Injury			796.79	8.8%	3.0%	0.040	958.80	1,493.84	57.60
Third Party Liability	PD/DCPD			237.75	1.6%	3.0%	0.040	246.71	362.58	362.58
Third Party Liability	Health Levy			28.29	5.0%	3.0%	0.040	31.52	58.24	58.24
Third Party Liability	Total	1,547,977	100%	1,062.83			1.007	1,237.03	1,914.67	478.43
Accident Benefits	Income Replacement & Other Monetary Benefits									289.60
Accident Benefits	Health care and Related Expenses									201.39
Accident Benefits	Death Benefits and Related Expenses									15.74
Accident Benefits	Permanent Impairment									55.90
Accident Benefits	Uninsured Automobile									0.23
Accident Benefits	Accident Benefits - Total	1,542,827	100%	140.81	8.7%	3.0%	0.040	169.11	221.18	562.85
Collision	Collision	1,134,024	73%	410.58	2.4%	3.0%	0.040	433.31	467.39	467.39
Comprehensive	Comprehensive - Total	1,284,657	83%	359.22	3.6%	3.0%	0.040	388.77	519.58	519.58
All Perils	All Perils	31,734	2%	900.14	3.7%	3.0%	0.040	976.22	1,166.69	1,166.69
Specified Perils	Specified Perils	12,790	1%	144.50	5.3%	3.0%	0.040	161.99	160.49	160.49
Underinsured Motorists	Underinsured Motorist	1,500,527	97%	27.53	4.6%	3.0%	0.040	30.42	11.30	0.64
Loss Transfer	Net Loss Transfer									(1.24)
Package	Basic Coverage			1,203.64				1,406.14	2,135.84	1,040.04
Package	Full Coverage			2,000.98				2,258.65	3,134.11	2,027.64
Package	Industry Average			1,848.41				2,096.50	2,944.90	1,837.62
	Injury Coverages			937.13				1,127.35	1,714.28	617.34
	Damage Coverages			856.30				908.14	1,161.42	1,161.42
	Other (Health Levy + UM)			54.98				61.01	69.19	58.87
	Check			0.00				0.00	0.00	0.00
Notes										
Basic Coverage	Basic Coverage does not reflect take-up rates									
Full Coverage	Full Coverage reflect2 take-up rates									
Industry Average	Industry average does not reflect take-up rates									
(5)	per GISA, TPL and AB allocated to coverage using required premium estimates									
(6)	Street premium cost levels based on average written date; required premium levels based on average accident date									
(6)	Based on 5-year industry average investment income rate of 3.00% and selected payment pattern									
(8)	Based on investment rate of 3.00% and assumed three month delay									

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Bodily Injury
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	1,375	418,861	3.284	-1.1%	-1.1%	10/1/2024	0.869		1.000	1.000	0.904	2.580	0%
2016	1,195	414,010	2.887	-1.1%	-1.1%	10/1/2024	0.879		1.000	1.000	0.904	2.293	0%
2017	1,317	396,469	3.323	-1.1%	-1.1%	10/1/2024	0.889		1.000	1.000	0.904	2.670	0%
2018	1,331	383,825	3.468	-1.1%	-1.1%	10/1/2024	0.899		1.000	1.000	0.904	2.818	0%
2019	1,209	366,587	3.297	-1.1%	-1.1%	10/1/2024	0.909		1.000	1.000	0.904	2.709	0%
2020	765	300,640	2.543	-1.1%	-1.1%	10/1/2024	0.919		1.000	1.270	0.904	2.685	20%
2021	720	295,188	2.437	-1.1%	-1.1%	10/1/2024	0.930		1.000	1.382	0.904	2.831	20%
2022	813	290,320	2.800	-1.1%	-1.1%	10/1/2024	0.940		1.000	1.187	0.904	2.825	20%
2023	806	297,255	2.711	-1.1%	-1.1%	10/1/2024	0.951		1.000	1.106	0.904	2.577	20%
2024	915	302,622	3.024	-1.1%	-1.1%	10/1/2024	0.961		1.000	1.106	0.904	2.907	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												2.765	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	102,023,158	1,375	74,172	9.1%	9.1%	10/1/2024	2.978	1.000	1.000			220,877	0%
2016	101,026,843	1,195	84,523	9.1%	9.1%	10/1/2024	2.729	1.000	1.000			230,667	0%
2017	108,474,056	1,317	82,336	9.1%	9.1%	10/1/2024	2.501	1.000	1.000			205,919	0%
2018	128,038,534	1,331	96,183	9.1%	9.1%	10/1/2024	2.292	1.000	1.000			220,448	0%
2019	118,112,876	1,209	97,729	9.1%	9.1%	10/1/2024	2.100	1.000	1.000			205,273	0%
2020	97,765,121	765	127,871	9.1%	9.1%	10/1/2024	1.925	1.000	1.000			246,139	20%
2021	94,844,894	720	131,820	9.1%	9.1%	10/1/2024	1.764	1.000	1.000			232,536	20%
2022	133,915,424	813	164,711	9.1%	9.1%	10/1/2024	1.617	1.000	1.000			266,275	20%
2023	165,081,274	806	204,840	9.1%	9.1%	10/1/2024	1.482	1.000	1.000			303,475	20%
2024	156,002,125	915	170,467	9.1%	9.1%	10/1/2024	1.358	1.000	1.000			231,445	20%
B. Selected Severity at 1/1/2028 Cost Level												255,974	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	102,023,158	418,861	244	7.9%	7.9%	10/1/2024	2.588	1.000	1.000	1.000	0.904	570	0%
2016	101,026,843	414,010	244	7.9%	7.9%	10/1/2024	2.398	1.000	1.000	1.000	0.904	529	0%
2017	108,474,056	396,469	274	7.9%	7.9%	10/1/2024	2.223	1.000	1.000	1.000	0.904	550	0%
2018	128,038,534	383,825	334	7.9%	7.9%	10/1/2024	2.060	1.000	1.000	1.000	0.904	621	0%
2019	118,112,876	366,587	322	7.9%	7.9%	10/1/2024	1.909	1.000	1.000	1.000	0.904	556	0%
2020	97,765,121	300,640	325	7.9%	7.9%	10/1/2024	1.769	1.000	1.000	1.270	0.904	661	20%
2021	94,844,894	295,188	321	7.9%	7.9%	10/1/2024	1.640	1.000	1.000	1.382	0.904	658	20%
2022	133,915,424	290,320	461	7.9%	7.9%	10/1/2024	1.520	1.000	1.000	1.187	0.904	752	20%
2023	165,081,274	297,255	555	7.9%	7.9%	10/1/2024	1.408	1.000	1.000	1.106	0.904	782	20%
2024	156,002,125	302,622	516	7.9%	7.9%	10/1/2024	1.305	1.000	1.000	1.106	0.904	673	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												705	Sum((13) x (14))
D. Frequency x Severity Method												708	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												707	average(A * B, C)

Notes

- (9) Factor for temporary increase in inflation
- (11) Factor to adjust to pre-pandemic frequency levels
- (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Total Property Damage
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	7,837	418,861	18.710	-2.0%	-2.0%	10/1/2024	0.777		1.000	1.000	0.780	11.336	0%
2016	6,544	414,010	15.806	-2.0%	-2.0%	10/1/2024	0.793		1.000	1.000	0.780	9.772	0%
2017	6,989	396,469	17.627	-2.0%	-2.0%	10/1/2024	0.809		1.000	1.000	0.780	11.120	0%
2018	7,046	383,825	18.357	-2.0%	-2.0%	10/1/2024	0.825		1.000	1.000	0.780	11.817	0%
2019	5,875	366,587	16.025	-2.0%	-2.0%	10/1/2024	0.842		1.000	1.000	0.780	10.527	0%
2020	3,614	300,640	12.022	-2.0%	-2.0%	10/1/2024	0.859		1.000	1.431	0.780	11.534	20%
2021	3,486	295,188	11.809	-2.0%	-2.0%	10/1/2024	0.877		1.000	1.435	0.780	11.593	20%
2022	3,462	290,320	11.925	-2.0%	-2.0%	10/1/2024	0.895		1.000	1.264	0.780	10.521	20%
2023	3,178	297,255	10.690	-2.0%	-2.0%	10/1/2024	0.913		1.000	1.282	0.780	9.760	20%
2024	3,950	302,622	13.051	-2.0%	-2.0%	10/1/2024	0.932		1.000	1.282	0.780	12.159	20%
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												11.113	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and ALAE Estimate	Ultimate Claim Counts	Severity	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	2021-2 Scalar (Inflation)	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	70,245,915	7,837	8,963	1.7%	1.7%	10/1/2024	1.235	1.501	1.000			16,611	0%
2016	56,152,537	6,544	8,581	1.7%	1.7%	10/1/2024	1.214	1.501	1.000			15,637	0%
2017	66,552,006	6,989	9,523	1.7%	1.7%	10/1/2024	1.194	1.501	1.000			17,063	0%
2018	65,162,571	7,046	9,248	1.7%	1.7%	10/1/2024	1.174	1.501	1.000			16,294	0%
2019	52,964,053	5,875	9,016	1.7%	1.7%	10/1/2024	1.154	1.501	1.000			15,618	0%
2020	31,505,922	3,614	8,717	1.7%	1.7%	10/1/2024	1.135	1.480	1.000			14,636	20%
2021	37,053,919	3,486	10,629	1.7%	1.7%	10/1/2024	1.116	1.489	1.000			17,661	20%
2022	49,836,698	3,462	14,395	1.7%	1.7%	10/1/2024	1.097	1.413	1.000			22,309	20%
2023	45,866,538	3,178	14,434	1.7%	1.7%	10/1/2024	1.079	1.145	1.000			17,823	20%
2024	56,075,153	3,950	14,198	1.7%	1.7%	10/1/2024	1.061	1.000	1.000			15,062	20%
Selected Severity at 1/1/2028 Cost Level												17,498	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and ALAE Estimate	Earned Vehicles	Loss Cost	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	2021-2 Scalar (Inflation)	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	70,245,915	418,861	168	-0.3%	-0.3%	10/1/2024	0.959	1.501	1.000	1.000	0.780	188	0%
2016	56,152,537	414,010	136	-0.3%	-0.3%	10/1/2024	0.962	1.501	1.000	1.000	0.780	153	0%
2017	66,552,006	396,469	168	-0.3%	-0.3%	10/1/2024	0.965	1.501	1.000	1.000	0.780	190	0%
2018	65,162,571	383,825	170	-0.3%	-0.3%	10/1/2024	0.969	1.501	1.000	1.000	0.780	193	0%
2019	52,964,053	366,587	144	-0.3%	-0.3%	10/1/2024	0.972	1.501	1.000	1.000	0.780	164	0%
2020	31,505,922	300,640	105	-0.3%	-0.3%	10/1/2024	0.975	1.480	1.000	1.431	0.780	169	20%
2021	37,053,919	295,188	126	-0.3%	-0.3%	10/1/2024	0.978	1.489	1.000	1.435	0.780	205	20%
2022	49,836,698	290,320	172	-0.3%	-0.3%	10/1/2024	0.982	1.413	1.000	1.264	0.780	235	20%
2023	45,866,538	297,255	154	-0.3%	-0.3%	10/1/2024	0.985	1.145	1.000	1.282	0.780	174	20%
2024	56,075,153	302,622	185	-0.3%	-0.3%	10/1/2024	0.988	1.000	1.000	1.282	0.780	183	20%
Initial Selected Loss Cost at 1/1/2028 Cost Level												193	Sum((13) x (14))
Frequency x Severity Method												194	A * B
Selected Loss Cost at 1/1/2028 Cost Level												194	average(A * B, C)

Notes

- (9) Factor for temporary increase in inflation
- (11) Factor to adjust to pre-pandemic frequency levels
- (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Accident Benefits - Total
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	Oliver Wyman 2025 Annual Review	Oliver Wyman 2025 Annual Review	(2) / (3) * 1000								(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	765	411,530	1.859	3.2%	3.2%	10/1/2024	1.483		1.141	1.000	1.141	3.588	0%
2016	731	412,802	1.771	3.2%	3.2%	10/1/2024	1.437		1.141	1.000	1.141	3.312	0%
2017	819	394,703	2.075	3.2%	3.2%	10/1/2024	1.392		1.141	1.000	1.141	3.761	0%
2018	750	382,923	1.958	3.2%	3.2%	10/1/2024	1.349		1.141	1.000	1.141	3.438	0%
2019	744	365,903	2.032	3.2%	3.2%	10/1/2024	1.307		1.141	1.000	1.141	3.458	0%
2020	520	299,983	1.734	3.2%	3.2%	10/1/2024	1.267		1.118	1.248	1.141	3.495	20%
2021	564	294,772	1.913	3.2%	3.2%	10/1/2024	1.227		1.000	1.121	1.141	3.001	20%
2022	758	290,902	2.604	3.2%	3.2%	10/1/2024	1.189		1.000	0.947	1.141	3.348	20%
2023	715	297,561	2.403	3.2%	3.2%	10/1/2024	1.152		1.000	0.876	1.141	2.769	20%
2024	857	302,827	2.829	3.2%	3.2%	10/1/2024	1.117		1.000	0.876	1.141	3.159	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												3.155	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	5,251,505	765	6,865	7.6%	7.6%	10/1/2024	2.499	1.000	1.205			20,673	0%
2016	4,750,533	731	6,499	7.6%	7.6%	10/1/2024	2.323	1.000	1.205			18,188	0%
2017	5,750,256	819	7,021	7.6%	7.6%	10/1/2024	2.159	1.000	1.205			18,262	0%
2018	4,676,667	750	6,238	7.6%	7.6%	10/1/2024	2.006	1.000	1.205			15,080	0%
2019	5,803,575	744	7,806	7.6%	7.6%	10/1/2024	1.864	1.000	1.205			17,536	0%
2020	4,821,729	520	9,272	7.6%	7.6%	10/1/2024	1.733	1.000	1.205			19,359	20%
2021	5,984,399	564	10,615	7.6%	7.6%	10/1/2024	1.610	1.000	1.205			20,598	20%
2022	8,114,472	758	10,710	7.6%	7.6%	10/1/2024	1.497	1.000	1.171			18,767	20%
2023	9,487,832	715	13,269	7.6%	7.6%	10/1/2024	1.391	1.000	1.000			18,456	20%
2024	10,922,956	857	12,750	7.6%	7.6%	10/1/2024	1.293	1.000	1.000			16,481	20%
B. Selected Severity at 1/1/2028 Cost Level												18,732	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	5,251,505	411,530	13	11%	11%	10/1/2024	3.705	1.000	1.205	1.000	1.141	65	0%
2016	4,750,533	412,802	12	11%	11%	10/1/2024	3.337	1.000	1.205	1.000	1.141	53	0%
2017	5,750,256	394,703	15	11%	11%	10/1/2024	3.005	1.000	1.205	1.000	1.141	60	0%
2018	4,676,667	382,923	12	11%	11%	10/1/2024	2.706	1.000	1.205	1.000	1.141	45	0%
2019	5,803,575	365,903	16	11%	11%	10/1/2024	2.437	1.000	1.205	1.000	1.141	53	0%
2020	4,821,729	299,983	16	11%	11%	10/1/2024	2.195	1.000	1.205	1.248	1.141	61	20%
2021	5,984,399	294,772	20	11%	11%	10/1/2024	1.976	1.000	1.205	1.121	1.141	62	20%
2022	8,114,472	290,902	28	11%	11%	10/1/2024	1.780	1.000	1.171	0.947	1.141	63	20%
2023	9,487,832	297,561	32	11%	11%	10/1/2024	1.603	1.000	1.000	0.876	1.141	51	20%
2024	10,922,956	302,827	36	11%	11%	10/1/2024	1.443	1.000	1.000	0.876	1.141	52	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												58	Sum((13) x (14))
D. Frequency x Severity Method												59	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												58	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Collision
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	4,523	210,855	21.452	-1.9%	-1.9%	10/1/2024	0.787		1.000	1.000	0.700	11.814	0%
2016	4,065	201,784	20.145	-1.9%	-1.9%	10/1/2024	0.802		1.000	1.000	0.700	11.309	0%
2017	4,425	195,968	22.580	-1.9%	-1.9%	10/1/2024	0.818		1.000	1.000	0.700	12.922	0%
2018	4,531	195,391	23.189	-1.9%	-1.9%	10/1/2024	0.833		1.000	1.000	0.700	13.527	0%
2019	4,295	188,578	22.777	-1.9%	-1.9%	10/1/2024	0.849		1.000	1.000	0.700	13.544	0%
2020	2,848	163,253	17.445	-1.9%	-1.9%	10/1/2024	0.866		1.000	1.303	0.700	13.777	20%
2021	2,379	157,927	15.062	-1.9%	-1.9%	10/1/2024	0.883		1.000	1.304	0.700	12.139	20%
2022	2,613	158,939	16.443	-1.9%	-1.9%	10/1/2024	0.900		1.000	1.302	0.700	13.486	20%
2023	2,074	164,077	12.638	-1.9%	-1.9%	10/1/2024	0.917		1.000	1.429	0.700	11.591	20%
2024	2,288	170,600	13.410	-1.9%	-1.9%	10/1/2024	0.935		1.000	1.429	0.700	12.538	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												12.706	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	50,415,174	4,523	11,146	1.8%	1.8%	10/1/2024	1.250	1.596	1.000			22,234	0%
2016	44,862,451	4,065	11,036	1.8%	1.8%	10/1/2024	1.228	1.596	1.000			21,627	0%
2017	49,808,343	4,425	11,256	1.8%	1.8%	10/1/2024	1.206	1.596	1.000			21,667	0%
2018	50,202,417	4,531	11,080	1.8%	1.8%	10/1/2024	1.185	1.596	1.000			20,951	0%
2019	43,355,320	4,295	10,094	1.8%	1.8%	10/1/2024	1.164	1.596	1.000			18,749	0%
2020	30,270,777	2,848	10,629	1.8%	1.8%	10/1/2024	1.143	1.571	1.000			19,083	20%
2021	29,741,152	2,379	12,503	1.8%	1.8%	10/1/2024	1.123	1.582	1.000			22,206	20%
2022	44,063,589	2,613	16,861	1.8%	1.8%	10/1/2024	1.103	1.489	1.000			27,696	20%
2023	37,960,577	2,074	18,307	1.8%	1.8%	10/1/2024	1.084	1.168	1.000			23,172	20%
2024	41,545,990	2,288	18,161	1.8%	1.8%	10/1/2024	1.065	1.000	1.000			19,332	20%
B. Selected Severity at 1/1/2028 Cost Level												22,298	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	50,415,174	210,855	239	0%	0%	10/1/2024	0.983	1.596	1.000	1.000	0.700	263	0%
2016	44,862,451	201,784	222	0%	0%	10/1/2024	0.985	1.596	1.000	1.000	0.700	240	0%
2017	49,808,343	195,968	254	0%	0%	10/1/2024	0.986	1.596	1.000	1.000	0.700	280	0%
2018	50,202,417	195,391	257	0%	0%	10/1/2024	0.987	1.596	1.000	1.000	0.700	283	0%
2019	43,355,320	188,578	230	0%	0%	10/1/2024	0.989	1.596	1.000	1.000	0.700	254	0%
2020	30,270,777	163,253	185	0%	0%	10/1/2024	0.990	1.571	1.000	1.303	0.700	263	20%
2021	29,741,152	157,927	188	0%	0%	10/1/2024	0.991	1.582	1.000	1.304	0.700	270	20%
2022	44,063,589	158,939	277	0%	0%	10/1/2024	0.993	1.489	1.000	1.302	0.700	374	20%
2023	37,960,577	164,077	231	0%	0%	10/1/2024	0.994	1.168	1.000	1.429	0.700	269	20%
2024	41,545,990	170,600	244	0%	0%	10/1/2024	0.995	1.000	1.000	1.429	0.700	242	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												283	Sum((13) x (14))
D. Frequency x Severity Method												283	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												283	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Comprehensive - Total
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
	Oliver Wyman 2025 Annual Review												
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	6,653	274,591	24.229	0.8%	0.8%	10/1/2024	1.105		1.000	1.000	1.000	26.767	0%
2016	7,278	268,252	27.130	0.8%	0.8%	10/1/2024	1.096		1.000	1.000	1.000	29.734	0%
2017	7,144	261,164	27.353	0.8%	0.8%	10/1/2024	1.087		1.000	1.000	1.000	29.741	0%
2018	5,972	258,191	23.131	0.8%	0.8%	10/1/2024	1.079		1.000	1.000	1.000	24.951	0%
2019	6,061	247,012	24.537	0.8%	0.8%	10/1/2024	1.070		1.000	1.000	1.000	26.258	0%
2020	5,881	216,459	27.169	0.8%	0.8%	10/1/2024	1.062		1.000	1.000	1.000	28.843	20%
2021	4,726	207,818	22.740	0.8%	0.8%	10/1/2024	1.053		1.000	1.000	1.000	23.950	20%
2022	5,129	206,664	24.817	0.8%	0.8%	10/1/2024	1.045		1.000	1.000	1.000	25.929	20%
2023	4,597	210,530	21.835	0.8%	0.8%	10/1/2024	1.037		1.000	1.000	1.000	22.632	20%
2024	6,584	216,077	30.469	0.8%	0.8%	10/1/2024	1.028		1.000	1.000	1.000	31.332	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												26.537	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	63,619,956	6,653	9,563	3.1%	3.1%	10/1/2024	1.465	1.000	1.000			14,008	0%
2016	67,434,837	7,278	9,266	3.1%	3.1%	10/1/2024	1.421	1.000	1.000			13,165	0%
2017	70,268,617	7,144	9,837	3.1%	3.1%	10/1/2024	1.378	1.000	1.000			13,555	0%
2018	60,775,937	5,972	10,177	3.1%	3.1%	10/1/2024	1.337	1.000	1.000			13,602	0%
2019	60,802,535	6,061	10,032	3.1%	3.1%	10/1/2024	1.296	1.000	1.000			13,006	0%
2020	60,922,436	5,881	10,359	3.1%	3.1%	10/1/2024	1.257	1.000	1.000			13,026	20%
2021	51,167,389	4,726	10,827	3.1%	3.1%	10/1/2024	1.220	1.000	1.000			13,205	20%
2022	61,867,195	5,129	12,063	3.1%	3.1%	10/1/2024	1.183	1.000	1.000			14,270	20%
2023	64,285,736	4,597	13,985	3.1%	3.1%	10/1/2024	1.147	1.000	1.000			16,046	20%
2024	101,545,548	6,584	15,424	3.1%	3.1%	10/1/2024	1.113	1.000	1.000			17,165	20%
B. Selected Severity at 1/1/2028 Cost Level												14,743	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	63,619,956	274,591	232	4%	4%	10/1/2024	1.618	1.000	1.000	1.000	1.000	374.9	0%
2016	67,434,837	268,252	251	4%	4%	10/1/2024	1.557	1.000	1.000	1.000	1.000	391.5	0%
2017	70,268,617	261,164	269	4%	4%	10/1/2024	1.498	1.000	1.000	1.000	1.000	403.2	0%
2018	60,775,937	258,191	235	4%	4%	10/1/2024	1.442	1.000	1.000	1.000	1.000	339.4	0%
2019	60,802,535	247,012	246	4%	4%	10/1/2024	1.387	1.000	1.000	1.000	1.000	341.5	0%
2020	60,922,436	216,459	281	4%	4%	10/1/2024	1.335	1.000	1.000	1.000	1.000	375.7	20%
2021	51,167,389	207,818	246	4%	4%	10/1/2024	1.285	1.000	1.000	1.000	1.000	316.3	20%
2022	61,867,195	206,664	299	4%	4%	10/1/2024	1.236	1.000	1.000	1.000	1.000	370.0	20%
2023	64,285,736	210,530	305	4%	4%	10/1/2024	1.189	1.000	1.000	1.000	1.000	363.2	20%
2024	101,545,548	216,077	470	4%	4%	10/1/2024	1.144	1.000	1.000	1.000	1.000	537.8	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												392.6	Sum((13) x (14))
D. Frequency x Severity Method												391.2	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												391.9	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
All Perils
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
	Oliver Wyman 2025 Annual Review												
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	2,330	81,227	28.683	-1.1%	-1.1%	10/1/2024	0.872		1.000	1.000	1.000	25.009	0%
2016	2,171	85,309	25.447	-1.1%	-1.1%	10/1/2024	0.882		1.000	1.000	1.000	22.432	0%
2017	2,328	79,770	29.179	-1.1%	-1.1%	10/1/2024	0.891		1.000	1.000	1.000	26.006	0%
2018	2,182	74,266	29.383	-1.1%	-1.1%	10/1/2024	0.901		1.000	1.000	1.000	26.476	0%
2019	1,764	67,651	26.077	-1.1%	-1.1%	10/1/2024	0.911		1.000	1.000	1.000	23.756	0%
2020	846	38,215	22.147	-1.1%	-1.1%	10/1/2024	0.921		1.000	1.000	1.000	20.399	20%
2021	703	33,881	20.760	-1.1%	-1.1%	10/1/2024	0.931		1.000	1.000	1.000	19.331	20%
2022	840	35,748	23.490	-1.1%	-1.1%	10/1/2024	0.941		1.000	1.000	1.000	22.115	20%
2023	759	38,870	19.517	-1.1%	-1.1%	10/1/2024	0.952		1.000	1.000	1.000	18.577	20%
2024	1,066	39,586	26.939	-1.1%	-1.1%	10/1/2024	0.962		1.000	1.000	1.000	25.925	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												21.269	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	48,520,397	2,330	20,826	2.2%	2.2%	10/1/2024	1.311	1.000	1.000			27,305	0%
2016	41,176,979	2,171	18,968	2.2%	2.2%	10/1/2024	1.283	1.000	1.000			24,337	0%
2017	47,623,315	2,328	20,460	2.2%	2.2%	10/1/2024	1.256	1.000	1.000			25,688	0%
2018	49,290,333	2,182	22,588	2.2%	2.2%	10/1/2024	1.229	1.000	1.000			27,752	0%
2019	37,535,445	1,764	21,277	2.2%	2.2%	10/1/2024	1.202	1.000	1.000			25,581	0%
2020	17,373,630	846	20,528	2.2%	2.2%	10/1/2024	1.177	1.000	1.000			24,152	20%
2021	15,577,365	703	22,147	2.2%	2.2%	10/1/2024	1.151	1.000	1.000			25,498	20%
2022	21,232,438	840	25,285	2.2%	2.2%	10/1/2024	1.127	1.000	1.000			28,487	20%
2023	21,730,836	759	28,645	2.2%	2.2%	10/1/2024	1.102	1.000	1.000			31,581	20%
2024	32,613,736	1,066	30,582	2.2%	2.2%	10/1/2024	1.079	1.000	1.000			32,994	20%
B. Selected Severity at 1/1/2028 Cost Level												28,542	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	48,520,397	81,227	597	1%	1%	10/1/2024	1.144	1.000	1.000	1.000	1.000	684	0%
2016	41,176,979	85,309	483	1%	1%	10/1/2024	1.132	1.000	1.000	1.000	1.000	546	0%
2017	47,623,315	79,770	597	1%	1%	10/1/2024	1.120	1.000	1.000	1.000	1.000	669	0%
2018	49,290,333	74,266	664	1%	1%	10/1/2024	1.108	1.000	1.000	1.000	1.000	735	0%
2019	37,535,445	67,651	555	1%	1%	10/1/2024	1.096	1.000	1.000	1.000	1.000	608	0%
2020	17,373,630	38,215	455	1%	1%	10/1/2024	1.084	1.000	1.000	1.000	1.000	493	20%
2021	15,577,365	33,881	460	1%	1%	10/1/2024	1.073	1.000	1.000	1.000	1.000	493	20%
2022	21,232,438	35,748	594	1%	1%	10/1/2024	1.061	1.000	1.000	1.000	1.000	630	20%
2023	21,730,836	38,870	559	1%	1%	10/1/2024	1.050	1.000	1.000	1.000	1.000	587	20%
2024	32,613,736	39,586	824	1%	1%	10/1/2024	1.038	1.000	1.000	1.000	1.000	856	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												612	Sum((13) x (14))
D. Frequency x Severity Method												607	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												609	average(A * B, C)

Notes

- (9) Factor for temporary increase in inflation
- (11) Factor to adjust to pre-pandemic frequency levels
- (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Specified Perils
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	177	23,371	7.569	0.8%	0.8%	10/1/2024	1.105		1.000	1.000	1.000	8.362	0%
2016	137	22,951	5.964	0.8%	0.8%	10/1/2024	1.096		1.000	1.000	1.000	6.536	0%
2017	146	21,951	6.645	0.8%	0.8%	10/1/2024	1.087		1.000	1.000	1.000	7.225	0%
2018	140	21,034	6.647	0.8%	0.8%	10/1/2024	1.079		1.000	1.000	1.000	7.170	0%
2019	132	20,674	6.374	0.8%	0.8%	10/1/2024	1.070		1.000	1.000	1.000	6.821	0%
2020	126	20,662	6.088	0.8%	0.8%	10/1/2024	1.062		1.000	1.000	1.000	6.463	20%
2021	95	20,666	4.589	0.8%	0.8%	10/1/2024	1.053		1.000	1.000	1.000	4.833	20%
2022	145	20,772	6.973	0.8%	0.8%	10/1/2024	1.045		1.000	1.000	1.000	7.285	20%
2023	111	20,150	5.527	0.8%	0.8%	10/1/2024	1.037		1.000	1.000	1.000	5.729	20%
2024	108	19,437	5.548	0.8%	0.8%	10/1/2024	1.028		1.000	1.000	1.000	5.705	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												6.003	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	1,559,774	177	8,818	3.1%	3.1%	10/1/2024	1.465	1.000	1.000			12,917	0%
2016	1,267,541	137	9,260	3.1%	3.1%	10/1/2024	1.421	1.000	1.000			13,157	0%
2017	1,287,101	146	8,824	3.1%	3.1%	10/1/2024	1.378	1.000	1.000			12,160	0%
2018	1,369,563	140	9,796	3.1%	3.1%	10/1/2024	1.337	1.000	1.000			13,093	0%
2019	1,531,529	132	11,622	3.1%	3.1%	10/1/2024	1.296	1.000	1.000			15,067	0%
2020	1,129,413	126	8,978	3.1%	3.1%	10/1/2024	1.257	1.000	1.000			11,290	20%
2021	1,256,495	95	13,248	3.1%	3.1%	10/1/2024	1.220	1.000	1.000			16,158	20%
2022	1,766,625	145	12,198	3.1%	3.1%	10/1/2024	1.183	1.000	1.000			14,430	20%
2023	1,698,031	111	15,247	3.1%	3.1%	10/1/2024	1.147	1.000	1.000			17,495	20%
2024	1,792,545	108	16,624	3.1%	3.1%	10/1/2024	1.113	1.000	1.000			18,501	20%
B. Selected Severity at 1/1/2028 Cost Level												15,575	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	1,559,774	23,371	67	4%	4%	10/1/2024	1.618	1.000	1.000	1.000	1.000	108	0%
2016	1,267,541	22,951	55	4%	4%	10/1/2024	1.557	1.000	1.000	1.000	1.000	86	0%
2017	1,287,101	21,951	59	4%	4%	10/1/2024	1.498	1.000	1.000	1.000	1.000	88	0%
2018	1,369,563	21,034	65	4%	4%	10/1/2024	1.442	1.000	1.000	1.000	1.000	94	0%
2019	1,531,529	20,674	74	4%	4%	10/1/2024	1.387	1.000	1.000	1.000	1.000	103	0%
2020	1,129,413	20,662	55	4%	4%	10/1/2024	1.335	1.000	1.000	1.000	1.000	73	20%
2021	1,256,495	20,666	61	4%	4%	10/1/2024	1.285	1.000	1.000	1.000	1.000	78	20%
2022	1,766,625	20,772	85	4%	4%	10/1/2024	1.236	1.000	1.000	1.000	1.000	105	20%
2023	1,698,031	20,150	84	4%	4%	10/1/2024	1.189	1.000	1.000	1.000	1.000	100	20%
2024	1,792,545	19,437	92	4%	4%	10/1/2024	1.144	1.000	1.000	1.000	1.000	106	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												92	Sum((13) x (14))
D. Frequency x Severity Method												93	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												93	average(A * B, C)

Notes

- (9) Factor for temporary increase in inflation
- (11) Factor to adjust to pre-pandemic frequency levels
- (12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Underinsured Motorist
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman 2025 Annual Review	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
	Oliver Wyman 2025 Annual Review												
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	6	404,314	0.015	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.015	0%
2016	5	392,801	0.014	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.014	0%
2017	5	372,446	0.013	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.013	0%
2018	5	366,813	0.013	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.013	0%
2019	4	349,160	0.012	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.012	0%
2020	3	286,555	0.009	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.009	20%
2021	4	280,603	0.014	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.014	20%
2022	2	278,921	0.008	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.008	20%
2023	7	282,083	0.023	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.023	20%
2024	5	288,581	0.017	0.0%	0.0%	10/1/2024	1.000		1.000	1.000	1.000	0.017	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												0.014	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	3,156,825	6	526,137	9.8%	9.8%	10/1/2024	3.219	1.000	1.000			1,693,540	0%
2016	1,152,671	5	210,093	9.8%	9.8%	10/1/2024	2.932	1.000	1.000			615,892	0%
2017	1,618,317	5	322,617	9.8%	9.8%	10/1/2024	2.670	1.000	1.000			861,348	0%
2018	1,546,424	5	334,197	9.8%	9.8%	10/1/2024	2.432	1.000	1.000			812,628	0%
2019	1,718,600	4	396,155	9.8%	9.8%	10/1/2024	2.215	1.000	1.000			877,308	0%
2020	1,008,089	3	385,531	9.8%	9.8%	10/1/2024	2.017	1.000	1.000			777,577	20%
2021	2,018,500	4	506,968	9.8%	9.8%	10/1/2024	1.837	1.000	1.000			931,242	20%
2022	6,757,697	2	3,130,893	9.8%	9.8%	10/1/2024	1.673	1.000	1.000			5,237,789	20%
2023	636,291	7	96,169	9.8%	9.8%	10/1/2024	1.524	1.000	1.000			146,525	20%
2024	8,975,270	5	1,851,520	9.8%	9.8%	10/1/2024	1.388	1.000	1.000			2,569,233	20%
B. Selected Severity at 1/1/2028 Cost Level												1,932,473	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	3,156,825	404,314	8	10%	10%	10/1/2024	3.219	1.000	1.000	1.000	1.000	25	0%
2016	1,152,671	392,801	3	10%	10%	10/1/2024	2.932	1.000	1.000	1.000	1.000	9	0%
2017	1,618,317	372,446	4	10%	10%	10/1/2024	2.670	1.000	1.000	1.000	1.000	12	0%
2018	1,546,424	366,813	4	10%	10%	10/1/2024	2.432	1.000	1.000	1.000	1.000	10	0%
2019	1,718,600	349,160	5	10%	10%	10/1/2024	2.215	1.000	1.000	1.000	1.000	11	0%
2020	1,008,089	286,555	4	10%	10%	10/1/2024	2.017	1.000	1.000	1.000	1.000	7	20%
2021	2,018,500	280,603	7	10%	10%	10/1/2024	1.837	1.000	1.000	1.000	1.000	13	20%
2022	6,757,697	278,921	24	10%	10%	10/1/2024	1.673	1.000	1.000	1.000	1.000	41	20%
2023	636,291	282,083	2	10%	10%	10/1/2024	1.524	1.000	1.000	1.000	1.000	3	20%
2024	8,975,270	288,581	31	10%	10%	10/1/2024	1.388	1.000	1.000	1.000	1.000	43	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												21	Sum((13) x (14))
D. Frequency x Severity Method												28	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												25	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

**Forecasted Non-Claim Expenses - Current Product
Data as of 12/31/2024**

(1)	(2)	(3)	(4)	
	as Percentage of Direct Written Premium			
	Total Commissions (including CPC)	Taxes	Other Acquisition and General Expenses	
A.1. Selected Expense Provision	13.2%	4.0%	10.1%	PPV Analysis
A.2. Percent Variable	100%	100%	60%	PPV Analysis
A.3. Percent Fixed	0%	0%	40%	PPV Analysis
B. Estimated Variable Expense Provision			23.2%	Sum[A.1 x A.2]
C.1. Estimated Fixed Expense (as % of Premium)			4.0%	Sum[A.1 x A.3]
C.2. 2024-2 Average Written Premium			1,901	GISA Report AUTO7001
C.3. Estimated Fixed Expense (per Vehicle)			77	C.1 * C.2
D.1. Fixed Expense Trend Rate			4.0%	Selected
D.2. Trend From Date			10/1/2024	
D.3. Trend To Date			1/1/2028	
D.4. Fixed Expense Trend			1.136	$(1 + D.1)^{[(D.3 - D.2) / 365.25]}$
D.5. Estimated Fixed Expense per Earned Vehicle			87	C.3 * D.4

Notes

(2)

CPC = contingent profit commission.

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Health Levy - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
	See Note	GISA Report AUTO7001	(2) * (3)	GISA Report AUTO7001	(4) / (5)
Accident Year	Health Levy	TPL Earned Premium	Total Health Levy	Earned Vehicles	Health Levy Cost per Vehicles
2013	5.74%	214,503,380	12,301,769	361,411	34.04
2014	4.95%	227,182,550	11,245,536	392,117	28.68
2015	5.72%	234,656,965	13,422,378	418,861	32.04
2016	6.18%	226,666,260	13,996,642	414,010	33.81
2017	5.79%	224,366,545	12,979,605	396,469	32.74
2018	7.04%	228,705,735	16,100,884	383,825	41.95
2019	6.70%	234,119,364	15,685,997	366,587	42.79
2020	4.74%	207,456,365	9,833,432	300,640	32.71
2021	2.94%	220,317,156	6,477,324	295,188	21.94
2022	3.55%	234,394,340	8,320,999	290,320	28.66
2023	2.86%	248,723,995	7,113,506	297,255	23.93
2024	2.94%	266,679,250	7,840,370	302,622	25.91
2025	1.94%		8,193,187	302,622	27.07
2026			8,561,880	302,622	28.29
2027			8,947,165	302,622	29.57
2028			9,349,787	302,622	30.90
			Indicated Trend		
		2013 - 2022	-5.0%	-3.6%	
		2013 - 2019	5.2%	-0.2%	
		2015 - 2019	4.6%	-3.4%	
		2021 - 2024	4.2%	1.0%	
		Selected	4.5%	0.0%	

Note

(2) Tax and Revenue Administration (TRA) - Health Cost Recovery Special Notice Vol. 6 No. 26
(4) & (5) 2025 - 2027 projected based on actual 2024 health levy and selected trend.
Health levy trend selection implicitly considers reduction in frequency observed during the pandemic.
2025 Earned premiums were not available for this review.
Given the decrease in the 2025 health levy rate, we expect that our estimate is slightly conservative.

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Required Premium - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			per (3)	CV Exhibit CP-1.1 - CV Exhibit CP-1.8	See Note	(5) * (6)	See Note	CV Exhibit CP-2.1	Board Benchmark	(7) * (8) / (1 - (9) - (10))	See Note	(11) + (12)
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	Selected Loss Cost at 1/1/2028 Cost Level	Claim Payment Pattern Factor	Projected Discounted Loss Cost per Vehicle	Delay in Receiving Premiums	Estimated Variable Expense Provision	Profit Provision	Estimated Required Premium (Excl. Fixed Expense)	Allocated Fixed Expense	Estimated Required Premium
Third Party Liability	Bodily Injury			706.52	0.865	611.07	1.007	23%	6%	870	53	923
Third Party Liability	Total Property Damage			193.77	0.965	186.99	1.007	23%	6%	266	16	282
Third Party Liability	Health Levy			30.90	1.000	30.90	1.007	23%	6%	44	3	47
Third Party Liability	Total	143,408	100%	931.182	0.890	828.95	1.007	23%	6%	1,180	72	1,252
Accident Benefits	Accident Benefits - Total	143,412	100%	58.38	0.939	54.85	1.007	23%	6%	78	5	83
Collision	Collision	83,275	58%	283.36	0.977	276.72	1.007	23%	6%	394	24	418
Comprehensive	Comprehensive - Total	105,634	74%	391.91	0.975	382.11	1.007	23%	6%	544	33	577
All Perils	All Perils	18,093	13%	609.41	0.973	593.11	1.007	23%	6%	844	51	895
Specified Perils	Specified Perils	9,213	6%	92.94	0.979	91.04	1.007	23%	6%	130	8	137
Underinsured Motorists	Underinsured Motorist	136,836	95%	24.52	0.865	21.21	1.007	23%	6%	30	2	32
				D.5. Estimated Fixed Expense per Earned Vehicle		87	1.007	23%	6%	124		
						CV Exhibit CP-2.1						
Package	Basic Coverage			990	0.893	884	1.007	23%	6%	1,258	77	1,334
Package	Full Coverage			1,689	0.926	1,564	1.007	23%	6%	2,225	136	2,361
	(assumes insured purchases CM rather than AP/SP)											
Package	Industry Weighted Average			1,549	0.921	1,427	1.007	23%	6%	2,031	124	2,154

Notes

- 0 Health Levy per CV Exhibit CP-2.2
- (6) Based on 5-year industry average investment income rate of 3.00% and selected payment pattern
- | Reported Return on Investment | 2020 | 2021 | 2022 | 2023 | 2024 | Average | Selected |
|--|-------|-------|-------|-------|-------|---------|----------|
| per P&C Financial Returns reported to OSFI | 4.17% | 2.71% | 0.08% | 4.45% | 7.15% | 3.71% | 3.00% |
- 2023 excludes a large insurer that reported an ROI of 72.03%
- (8) Based on investment rate of 3.00% and assumed three month delay
- (12) Total fixed expense per Earned Vehicle from CV Exhibit CP-2.1. Fixed expenses allocated to coverages proportional to (11).

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Bodily Injury: Out of Province Loss Cost
Data as of 12/31/2024

(1)	(2) AUTO-7001	(3) AUTO-7001	(4) SUM((2):(3))	(5) (2) / (4)	(6) (3) / (4)	(7) (4) / (4)
Accident Half Year	Reported Incurred Claims and ALAE			Distribution		
	Within Province	Out of Province	Total	Within Province	Out of Province	Total
202201	33,588,363	174,073	33,762,436	99.5%	0.5%	100.0%
202202	45,623,623	683,252	46,306,875	98.5%	1.5%	100.0%
202301	33,732,072	1,161,115	34,893,187	96.7%	3.3%	100.0%
202302	31,826,198	335,064	32,161,262	99.0%	1.0%	100.0%
202401	21,666,977	661,851	22,328,828	97.0%	3.0%	100.0%
202402	15,880,086	186,701	16,066,787	98.8%	1.2%	100.0%
A.	All-Year Weighted Average.....			98.3%	1.7%	
B.	Selected Out of Province Distribution.....			98.3%	1.7%	100.0%
C.	Selected Out of Province Severity Differential Factor..... Estimated ratio of average severity for out-of-province claims to in-province claims				150.0%	
D.	Implied Frequency Adjustment..... B. / C.				1.2%	

Notes

- (2) Includes loss codes 5 and 6 from the kind of loss code field in Exhibit AUTO7001.
- (3) Includes loss codes 3 and 4 from the kind of loss code field in Exhibit AUTO7001.
- C. We note that out-of-province claims may be more complex due to jurisdictional differences. We judgmentally select a 150% severity adjustment factor.

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Bodily Injury: Out of Province Loss Cost
Data as of 12/31/2024

(1)	(2)	(3)	(4)
	CV Exhibit CP-1.1	CV Exhibit CF-1.1.1	(2) * (3)
Metric	Current Product	Out of Province Adjustment	Care-First
Frequency	2.8	1.2%	0.032
Severity	255,974	150.0%	383,961
BI Loss Cost: Out of Province Claims			12.22

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Underinsured Motorist - Ultimate Loss and ALAE Allocation
Data as of 12/31/2024

(1)	(2)	(3)	(4)
	CV Exhibit CP-1.8	CV Exhibit CF-1.1.1	(2) * (3)
Accident Year	Loss Cost at 1/1/2028 Cost Level	Selected Out of Province Distribution	Estimated Loss Cost for Out of Province Accidents
2015	25.13	1.7%	0.43
2016	8.60	1.7%	0.15
2017	11.60	1.7%	0.20
2018	10.25	1.7%	0.18
2019	10.90	1.7%	0.19
2020	7.10	1.7%	0.12
2021	13.21	1.7%	0.23
2022	40.53	1.7%	0.70
2023	3.44	1.7%	0.06
2024	43.16	1.7%	0.74
	All-Year Average		0.30
	5-year average		0.37
	Selected Loss Cost at 1/1/2028 Cost Level		0.37

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Bodily Injury - Selected Loss Cost
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
	PPV, Exhibit CF-1.11	PPV, Exhibit CP-1.1	CV Exhibit CP-1.1	See Note	(2) / (3) * (4) * (5)
Basis of Tort Claim	PPV Loss Cost per Vehicle	PPV Underlying Benefit Frequency	CV Bodily Injury Frequency	CV Severity Adjustment Factor	Loss Cost per Vehicle
Out of Province Claims				CV Exhibit CF-1.1.2 -->	12.22
Excess Disability Income	0.00	4.745	2.765	1.750	0.000
Excess Out-of-Pocket Expenses for Personal Care Assistance	0.00	4.745	2.765	1.000	0.000
Excess Out-of-Pocket Expenses for Funerals	0.00	4.745	2.765	1.000	0.000
Excess Out-of-Pocket Expenses for Grief Counseling Limits	0.00	4.745	2.765	1.000	0.000
Excess of Care-First Family Enterprise Limits	0.00	4.745	2.765	1.000	0.000
Total Bodily Injury Loss Cost					12.22
Selected Bodily Injury Loss Cost					25.00
Frictional Cost Factor					1.20
Final Bodily Injury Loss Cost Including Frictional Costs					30.00

Note

We assume that the loss cost for in-province tort claims is scaled by the relative frequency of bodily injury claims, as the claimant in the tort action will not differ between PPV and CV.

(5) Selected based on relativities from (6) of PPV, Exhibit CF-6.7

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
	GISA Report AUTO7001	Based on Oliver Wyman Analysis/Assumption underlying 2025 Annual Review				(5) + (6)	Based on Oliver Wyman Analysis/Assumption underlying 2025 Annual Review			(8) + (9)	(3) / (2) * 1000	(4) / (2) * 1000	(7) / (2) * 1000	(10) / (2) * 1000
Alberta Ultimate Claim Counts										Alberta Frequency (per 1,000 Vehicles)				
Accident Year	Earned Vehicles	Medical Expenses	Income Replacement	Death Benefits	Funeral	Funeral and Death Benefits	Excess	Uninsured	Excess and Uninsured	Medical Expenses	Income Replacement	Funeral and Death Benefits	Excess and Uninsured	
2015	411,530	652	98	5	9	14	0	1	1	1.6	0.2	0.0	0.0	
2016	412,802	608	98	12	13	25	0	0	0	1.5	0.2	0.1	0.0	
2017	394,703	700	93	11	14	25	0	1	1	1.8	0.2	0.1	0.0	
2018	382,923	639	89	10	12	22	0	0	0	1.7	0.2	0.1	0.0	
2019	365,903	627	93	9	15	24	0	0	0	1.7	0.3	0.1	0.0	
2020	299,983	443	64	7	6	12	0	0	0	1.5	0.2	0.0	0.0	
2021	294,772	477	75	6	5	11	0	1	1	1.6	0.3	0.0	0.0	
2022	290,902	650	70	11	11	22	6	10	16	2.2	0.2	0.1	0.1	
2023	297,561	594	103	9	9	18	0	0	0	2.0	0.3	0.1	0.0	
2024	302,827	731	102	7	12	19	3	1	4	2.4	0.3	0.1	0.0	

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits Medical Expenses - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	CV Exhibit CF-2.1								(2) * (6) * (7) * (8) * (9)	Selected
			Alberta Past 2						Alberta	
	Alberta	Alberta Past 1	/Future	Trend	Trend Factor to	Reform Impact	COVID-19	Post-COVID	Frequency (per	
Accident Year	Frequency (per	Frequency	Frequency	(Transition)	1/1/2028		(Unwinding)	Adjustment	1,000 Vehicles)	Weights
	1,000 Vehicles)	Trend	Trend	Date			Factors		at 1/1/2028	
									Cost Level	
2015	1.6	3.2%	3.2%	10/1/2024	1.483	1.141	1.000	1.141	3.1	0%
2016	1.5	3.2%	3.2%	10/1/2024	1.437	1.141	1.000	1.141	2.8	0%
2017	1.8	3.2%	3.2%	10/1/2024	1.392	1.141	1.000	1.141	3.2	0%
2018	1.7	3.2%	3.2%	10/1/2024	1.349	1.141	1.000	1.141	2.9	0%
2019	1.7	3.2%	3.2%	10/1/2024	1.307	1.141	1.000	1.141	2.9	0%
2020	1.5	3.2%	3.2%	10/1/2024	1.267	1.118	1.248	1.141	3.0	20%
2021	1.6	3.2%	3.2%	10/1/2024	1.227	1.000	1.121	1.141	2.5	20%
2022	2.2	3.2%	3.2%	10/1/2024	1.189	1.000	0.947	1.141	2.9	20%
2023	2.0	3.2%	3.2%	10/1/2024	1.152	1.000	0.876	1.141	2.3	20%
2024	2.4	3.2%	3.2%	10/1/2024	1.117	1.000	0.876	1.141	2.7	20%
									Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	2.7
										Sum [(10) x (11)]

Notes

- (6) Future trend is equal to Past 2 trend
- (8) Factor to adjust to pre-pandemic frequency levels
- (9) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits Income Replacement - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	CV Exhibit CF-2.1								(2) * (6) * (7) * (8) * (9)	Selected
			Alberta Past 2/Future	Trend	Trend Factor to 1/1/2028	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2/Future Frequency Trend	(Transition) Date						
2015	0.2	3.2%	3.2%	10/1/2024	1.483	1.141	1.000	1.141	0.5	0%
2016	0.2	3.2%	3.2%	10/1/2024	1.437	1.141	1.000	1.141	0.4	0%
2017	0.2	3.2%	3.2%	10/1/2024	1.392	1.141	1.000	1.141	0.4	0%
2018	0.2	3.2%	3.2%	10/1/2024	1.349	1.141	1.000	1.141	0.4	0%
2019	0.3	3.2%	3.2%	10/1/2024	1.307	1.141	1.000	1.141	0.4	0%
2020	0.2	3.2%	3.2%	10/1/2024	1.267	1.118	1.248	1.141	0.4	20%
2021	0.3	3.2%	3.2%	10/1/2024	1.227	1.000	1.121	1.141	0.4	20%
2022	0.2	3.2%	3.2%	10/1/2024	1.189	1.000	0.947	1.141	0.3	20%
2023	0.3	3.2%	3.2%	10/1/2024	1.152	1.000	0.876	1.141	0.4	20%
2024	0.3	3.2%	3.2%	10/1/2024	1.117	1.000	0.876	1.141	0.4	20%
Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level									0.4	Sum [(10) x (11)]

Notes

- (6) Future trend is equal to Past 2 trend
- (8) Factor to adjust to pre-pandemic frequency levels
- (9) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits Funeral and Death Benefits - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	CV Exhibit CF-2.1				Oliver Wyman 2025 Annual Review				(2) * (6) * (7) * (8) * (9)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2/Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	0.0	3.2%	3.2%	10/1/2024	1.483	1.141	1.000	1.141	0.1	0%
2016	0.1	3.2%	3.2%	10/1/2024	1.437	1.141	1.000	1.141	0.1	0%
2017	0.1	3.2%	3.2%	10/1/2024	1.392	1.141	1.000	1.141	0.1	0%
2018	0.1	3.2%	3.2%	10/1/2024	1.349	1.141	1.000	1.141	0.1	0%
2019	0.1	3.2%	3.2%	10/1/2024	1.307	1.141	1.000	1.141	0.1	0%
2020	0.0	3.2%	3.2%	10/1/2024	1.267	1.118	1.248	1.141	0.1	20%
2021	0.0	3.2%	3.2%	10/1/2024	1.227	1.000	1.121	1.141	0.1	20%
2022	0.1	3.2%	3.2%	10/1/2024	1.189	1.000	0.947	1.141	0.1	20%
2023	0.1	3.2%	3.2%	10/1/2024	1.152	1.000	0.876	1.141	0.1	20%
2024	0.1	3.2%	3.2%	10/1/2024	1.117	1.000	0.876	1.141	0.1	20%
Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level									0.1	Sum [(10) x (11)]

Notes

- (6) Future trend is equal to Past 2 trend
- (8) Factor to adjust to pre-pandemic frequency levels
- (9) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits Excess and Uninsured - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	CV Exhibit CF-2.1				Oliver Wyman 2025 Annual Review				(2) * (6) * (7) * (8) * (9)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2/Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	0.002	3.2%	3.2%	10/1/2024	1.483	1.141	1.000	1.141	0.0	0%
2016	0.000	3.2%	3.2%	10/1/2024	1.437	1.141	1.000	1.141	0.0	0%
2017	0.003	3.2%	3.2%	10/1/2024	1.392	1.141	1.000	1.141	0.0	0%
2018	0.000	3.2%	3.2%	10/1/2024	1.349	1.141	1.000	1.141	0.0	0%
2019	0.000	3.2%	3.2%	10/1/2024	1.307	1.141	1.000	1.141	0.0	0%
2020	0.000	3.2%	3.2%	10/1/2024	1.267	1.118	1.248	1.141	0.0	20%
2021	0.003	3.2%	3.2%	10/1/2024	1.227	1.000	1.121	1.141	0.0	20%
2022	0.055	3.2%	3.2%	10/1/2024	1.189	1.000	0.947	1.141	0.1	20%
2023	0.000	3.2%	3.2%	10/1/2024	1.152	1.000	0.876	1.141	0.0	20%
2024	0.015	3.2%	3.2%	10/1/2024	1.117	1.000	0.876	1.141	0.0	20%
Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level									0.0185	Sum [(10) x (11)]

Notes

- (6) Future trend is equal to Past 2 trend
- (8) Factor to adjust to pre-pandemic frequency levels
- (9) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Frequency
Data as of 12/31/2024

	(1)	(2)	
A.	Funeral and Death Benefits Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	0.08	CV Exhibit CF-2.4
B.	Selected (P/I + F/D) Frequency : F/D Frequency Factor	10.000	PPV Analysis
C.	Selected Permanent Impairment Frequency	0.68	A. * (B. - 1)

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Income Replacement Second Payer Adjustment (Severity)
Data as of 12/31/2024

	(1)	(2)	(3)	(4)	(5)
	Average Gross Weekly Income	Average Net Weekly Income	Weekly Benefits from Collateral Source (Long- Term Disability) Plan	No Group Disability Plan Weekly Indemnity Benefit	With Group Disability Plan Weekly Indemnity Benefit after Group Disability Plan Payments
PPV, Exhibit CF-5.2 -->	1,320	982	589	769	182
A.1 Percentage of disability plans where Auto policy will be 1st payer					
A.1.1 ICBC 2021 RRA Assumption (Based on judgment)				50%	
A.1.2 Selected Percentage of disability plans where Auto policy will be 1st payer				50%	Current AB auto policy is 2nd payer
B. Percent of Employed Individuals with Disability Plan or Access to Workers Compensation				90%	
				(6)	(7)
				Proportion of Employed Claimants	Severity Net of Collateral Benefits
Employed Claimants without Group Disability Plan				10.0%	769
Employed Claimants with Group Disability Plan, Auto Ins. is 1st payer				45.0%	769
Employed Claimants with Group Disability Plan, Auto Ins. is 2nd payer				45.0%	182
				Total	100.0%
					504
				D. Reduction Factor for Employee	-34.4%
E. Percentage of costs where collateral benefits are applicable (Employment Rate for CV Insureds)					100.0%
				F. Severity Adjustment Factor	-34%
				G. Second Payer Adjustment	66%
					per (7)
					drivers are employed
					D. x E. + 0 * (1 - E.)
					1 + F.

Notes

A.1.2 Conservative as we expect workers compensation will be first payer in almost all circumstances

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Forecasted Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
		ICBC 2021 RRA	PPV Analysis	PPV Analysis	(2) * (3) * (4) * (5)
Coverage	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	ICBC Claimant/Claim Factor	Additional Claims Factor	No-Fault Frequency Adjustment Factor	Final Selected Claimant Frequency
Health care and Related Expenses	2.7 CV Exhibit CF-2.2	1.25	1.050	0.90	3.2
Income Replacement & Other Monetary Benefits	0.4 CV Exhibit CF-2.3	1.12		1.10	0.5
Death Benefits and Related Expenses	0.1 CV Exhibit CF-2.4	1.60		1.00	0.1
Permanent Impairment	0.7 CV Exhibit CF-3	1.60			1.1
Uninsured Automobile	0.0185 CV Exhibit CF-2.5	1.30			0.0241

Note

(3)

We expect fewer occupants of commercial vehicles than private passenger vehicles, so we consider this factor to be conservative

(5)

Income Replacement & Other Monetary Benefits - PPV Exhibit CF-1.5.2

For CV, we only want to capture expected frequency increases due to more generous benefits, as the other income replacement benefit groups do not apply to CV.

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Forecasted Severity
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	PPV, Exhibit CF-10.2	See Note	CV Exhibit CF-4	PPV, Exhibit CF-5.3	PPV Analysis	PPV Analysis	PPV Analysis	PPV Analysis	PPV Analysis	PPV Analysis	MPI 2026 GRA Figure RI-13	PRODUCT((2) - (12))
Accident Year	Severity at 1/1/2028 Cost Level	All-Vehicle Class to CV Adjustment	Second Payer Adjustment	Wage Distribution & Benefit Limit Adjustment	Average Time to Return to Work Adjustment	Healthcare Cost Adjustment	Wait-Time Adjustment Factor	Vehicle Distribution Adjustment	Wage Distribution Adjustment	PIPP Enhancement Adjustment	Unallocated Loss Adjustment Expense	Final Selected Claimant Severity
Health care and Related Expenses	9,543	2.500				1.200	1.000	1.050		1.073	1.130	36,446
Income Replacement & Other Monetary Benefits	76,701	2.000	0.656	1.175	1.325					1.016	1.130	179,907
Death Benefits and Related Expenses	70,873	1.500							1.096		1.130	131,630
Permanent Impairment	29,183	1.500						1.050			1.130	51,939
Uninsured Automobile												56,341

Notes

- (3) MPI severity reflects all vehicle classes.
MPI provided information to support the calculation of incurred severity by vehicle class in response to TC (MPI) 1-1 Round 1 Information Request
MPI provided claim counts (Appendix 1) and incurred loss (Appendix 3), which we used to develop the following severity relativities:

Loss Year	Commercial Vehicles			All Vehicle Classes			Indicated Relativity			
	ABO (I)	ABO (NI)	AB WI	ABO (I)	ABO (NI)	AB WI	ABO (I)	ABO (NI)	AB WI	
2018	7,385	26,081	74,248	4,143	18,173	34,410	1.783	1.435	2.158	
2019	9,959	24,402	69,948	4,234	17,362	37,024	2.352	1.405	1.889	
2020	27,425	22,044	118,364	7,727	18,689	44,214	3.549	1.180	2.677	
2021	5,323	28,195	24,252	4,237	15,719	15,012	1.256	1.794	1.615	
2022	5,529	26,957	16,873	3,054	15,796	9,242	1.810	1.707	1.826	
Five-Year Weighted Average	10,815	25,853	60,223	4,510	17,008	28,186	2.398	1.520	2.137	
Ratio of MC to All Class Loss Cost		62.344	26.589	65.636			Selected	2.500	1.500	2.000

- (12) Calculated as
- | | | | |
|--|--------|-----------|----------------------|
| Fixed Claims Expense Per Unit (Proportional) | 40.10 | A | MPI 2026 GRA, RI 2.2 |
| Variable Claims Expense Per Unit (Proportional), Commercial | 106.32 | B | MPI 2026 GRA, RI 2.2 |
| Claims Cost per Unit (Discounted to End of the RY), Commercial | 817.87 | C | MPI 2026 GRA, RI 2.2 |
| ULAE Factor | 1.130 | 1 + B / C | |
- We do not include the Fixed Claims Expense per unit as this amount consists of the Manitoba Health Levy and towing contract fees. We account for the Alberta Health Levy separately.

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Accident Benefits - Selected Loss Cost
Data as of 12/31/2024

(1)	(2) CV Exhibit CF-5.1	(3) CV Exhibit CF-5.2	(4) (2) * (3) / 1000
A. Health care and Related Expenses			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	3.2	36,446	114.84
B. Income Replacement & Other Monetary Benefits			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.5	179,907	85.02
C. Death Benefits and Related Expenses			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.1	131,630	15.84
D. Permanent Impairment			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	1.1	51,939	56.25
E. Uninsured Automobile			
Policy Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.0	56,341	1.36
F. Total Accident Benefits			
	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Alberta - Care First	4.9	56,341	273.30
Alberta - Current (Tort)	3.2	18,732	58.38

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Forecasted Required Premium - Care-First
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			per (3)	CV Exhibit CP-1.1 - CV Exhibit CP-1.8	See Note	(5) * (6)	See Note	(7) + (8)
				Selected Loss Cost at		Estimated		Estimated
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	1/1/2028 Cost Level	Loss Cost Multiplier	Required Premium	Allocated Fixed Expenses	Required Premium
Third Party Liability	Bodily Injury			30.00	1.240	37.20	6.34	43.55
Third Party Liability	Total Property Damage			193.77	1.387	268.82	16.22	285.04
Third Party Liability	Health Levy			30.90	1.423	43.97	2.68	46.65
Third Party Liability	Total	143,408	100%	254.666	1.374	349.99	25.24	375.24
Accident Benefits	Income Replacement & Other Monetary Benefits			85.02	0.947	80.51	13.72	94.23
Accident Benefits	Health care and Related Expenses			114.84	1.099	126.19	21.51	147.70
Accident Benefits	Death Benefits and Related Expenses			15.84	1.298	20.56	3.50	24.06
Accident Benefits	Permanent Impairment			56.25	1.298	73.00	12.44	85.44
Accident Benefits	Uninsured Automobile			1.36	1.035	1.41	0.24	1.64
Accident Benefits	Accident Benefits - Total	143,412	100%	273.30	1.104	301.649	51.419	353.07
Collision	Collision	83,275	58%	283.36	1.393	394.79	24.00	418.79
Comprehensive	Comprehensive - Total	105,634	74%	391.91	1.392	545.42	33.14	578.56
All Perils	All Perils	18,093	13%	609.41	1.390	847.25	51.45	898.69
Specified Perils	Specified Perils	9,213	6%	92.94	1.393	129.44	7.90	137.34
Underinsured Motorists	Underinsured Motorist	136,836	95%	0.37	1.174	0.44	1.84	2.28
	D.5. Estimated Fixed Expense per Earned Vehicle			87			124	
				CV Exhibit CP-2.1			CV Exhibit CP-3	
Package	Basic Coverage			527.97	1.234	652	77	728.30
Package	Full Coverage (assumes insured purchases CM rather than AP/SP)			1,203.61	1.323	1,592	136	1,727.93
Package	Industry Weighted Average			1,064.41	1.314	1,398	124	1,522.04

Notes

- (5) Bodily Injury per CV Exhibit CF-1.3
Health Levy per CV Exhibit CP-2.2
Accident Benefits per CV Exhibit CF-5.3
Underinsured Motorist per CV Exhibit CF-1.2
All other coverages per CV Exhibit CP-1.1 - CV Exhibit CP-1.8
- (6) Based on the PPV analysis, calculated as the ratio of estimated required premium excluding fixed expense to selected loss cost at 1/1/2028 cost level.
- (8) We use the same allocated fixed expenses from CV Exhibit CP-3. We recognize fixed expenses would be allocated differently under Care-First. However, when considering the rate filing process for insurers, we do not intend for insurers to lose rate on fixed expenses due to a higher allocation to physical damage coverages which may not be included

Province of Alberta
Commercial Vehicles
Actuarial Analysis - Reform Costing

Premium Changes under Care-First
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(8)	(8)
			per (3)	See Note	2025 AR	Selected	See Note	See Note	CV Exhibit CP-3	CV Exhibit CP-6.1
	Cost Level (Written Date) -->			4/1/2025				7/1/2027	7/1/2027	7/1/2027
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	202501 Avg Written Premium	Loss Cost Trend Rate	Fixed Expense Trend	Percent Fixed	Projected Street Premium	Current Product Required Premium	Care-First Required Premium
Third Party Liability	Bodily Injury			636.82	7.9%	4.0%	0.040	753.23	922.59	43.55
Third Party Liability	PD/DCPD			264.43	-0.3%	4.0%	0.040	263.51	282.31	285.04
Third Party Liability	Health Levy			28.04	4.5%	4.0%	0.040	30.94	46.65	46.65
Third Party Liability	Total	143,408	100%	929.29			0.040	1,047.68	1,251.55	375.24
Accident Benefits	Income Replacement & Other Monetary Benefits									94.23
Accident Benefits	Health care and Related Expenses									147.70
Accident Benefits	Death Benefits and Related Expenses									24.06
Accident Benefits	Permanent Impairment									85.44
Accident Benefits	Uninsured Automobile									1.64
Accident Benefits	Accident Benefits - Total	143,412	100%	31.59	11.0%	4.0%	0.040	39.77	82.81	353.07
Collision	Collision	83,275	58%	536.82	-0.1%	4.0%	0.040	537.26	417.80	418.79
Comprehensive	Comprehensive - Total	105,634	74%	528.89	3.9%	4.0%	0.040	576.78	576.90	578.56
All Perils	All Perils	18,093	13%	1,146.79	1.1%	4.0%	0.040	1,178.06	895.47	898.69
Specified Perils	Specified Perils	9,213	6%	170.11	3.9%	4.0%	0.040	185.51	137.45	137.34
Underinsured Motorists	Underinsured Motorist	136,836	95%	40.45	9.8%	4.0%	0.040	49.69	32.02	2.28
Loss Transfer	Net Loss Transfer									173.05
Package	Basic Coverage			960.88				1,087.45	1,334.36	901.36
Package	Full Coverage			2,067.04				2,251.18	2,361.09	1,900.99
Package	Industry Average			1,856.39				2,032.24	2,154.28	1,695.10
	Injury Coverages			668.42				792.99	1,005.40	569.68
	Damage Coverages			1,121.34				1,160.89	1,071.67	1,076.60
	Other (Health Levy + UM)			66.64				78.36	77.20	48.82
	Check			0.00				0.00	0.00	0.00

Notes

Basic Coverage Basic Coverage does not reflect take-up rates

Full Coverage Full Coverage does not reflect take-up rates

Industry Average Industry average does reflect take-up rates

(5) per GISA, TPL and AB allocated to coverage using required premium estimates

(8) Street premium cost levels based on average written date; required premium levels based on average accident date

(5) * (1 - (8)) * (1 + (6)) ^ (7/1/2027 - 4/1/2025)

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Bodily Injury
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000				Oliver Wyman 2025 Annual Review					(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	45	152,226	0.296	0.0%	0.0%	10/01/24	1.000		1.000	1.000	0.747	0.221	0%
2016	54	156,217	0.346	0.0%	0.0%	10/01/24	1.000		1.000	1.000	0.747	0.258	0%
2017	57	158,192	0.360	0.0%	0.0%	10/01/24	1.000		1.000	1.000	0.747	0.269	0%
2018	45	160,927	0.279	0.0%	0.0%	10/01/24	1.000		1.000	1.000	0.747	0.208	0%
2019	59	161,647	0.363	0.0%	0.0%	10/01/24	1.000		1.000	1.000	0.747	0.271	0%
2020	61	164,240	0.374	0.0%	0.0%	10/01/24	1.000		1.000	1.434	0.747	0.401	20%
2021	40	168,984	0.239	0.0%	0.0%	10/01/24	1.000		1.000	1.498	0.747	0.267	20%
2022	43	170,999	0.253	0.0%	0.0%	10/01/24	1.000		1.000	1.321	0.747	0.250	20%
2023	43	172,579	0.247	0.0%	0.0%	10/01/24	1.000		1.000	1.339	0.747	0.247	20%
2024	55	176,443	0.309	0.0%	0.0%	10/01/24	1.000		1.000	1.339	0.747	0.309	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												0.295	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	5,899,948	45	131,145	8.7%	8.7%	10/01/24	2.838	1.344	1.000			500,228	0%
2016	6,303,963	54	116,793	8.7%	8.7%	10/01/24	2.611	1.344	1.000			409,831	0%
2017	7,369,105	57	129,397	8.7%	8.7%	10/01/24	2.402	1.344	1.000			417,719	0%
2018	5,022,457	45	111,853	8.7%	8.7%	10/01/24	2.210	1.344	1.000			332,183	0%
2019	11,460,646	59	195,158	8.7%	8.7%	10/01/24	2.033	1.344	1.000			533,195	0%
2020	9,681,726	61	157,542	8.7%	8.7%	10/01/24	1.870	1.330	1.000			391,848	20%
2021	7,657,679	40	189,755	8.7%	8.7%	10/01/24	1.720	1.336	1.000			436,154	20%
2022	8,584,158	43	198,412	8.7%	8.7%	10/01/24	1.583	1.286	1.000			403,693	20%
2023	19,564,929	43	458,454	8.7%	8.7%	10/01/24	1.456	1.103	1.000			736,298	20%
2024	15,697,777	55	287,577	8.7%	8.7%	10/01/24	1.340	1.000	1.000			385,218	20%
B. Selected Severity at 1/1/2028 Cost Level												470,642	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	5,899,948	152,226	39	8.7%	8.7%	10/01/24	2.838	1.344	1.000	1.000	0.747	110	0%
2016	6,303,963	156,217	40	8.7%	8.7%	10/01/24	2.611	1.344	1.000	1.000	0.747	106	0%
2017	7,369,105	158,192	47	8.7%	8.7%	10/01/24	2.402	1.344	1.000	1.000	0.747	112	0%
2018	5,022,457	160,927	31	8.7%	8.7%	10/01/24	2.210	1.344	1.000	1.000	0.747	69	0%
2019	11,460,646	161,647	71	8.7%	8.7%	10/01/24	2.033	1.344	1.000	1.000	0.747	145	0%
2020	9,681,726	164,240	59	8.7%	8.7%	10/01/24	1.870	1.330	1.000	1.434	0.747	157	20%
2021	7,657,679	168,984	45	8.7%	8.7%	10/01/24	1.720	1.336	1.000	1.498	0.747	117	20%
2022	8,584,158	170,999	50	8.7%	8.7%	10/01/24	1.583	1.286	1.000	1.321	0.747	101	20%
2023	19,564,929	172,579	113	8.7%	8.7%	10/01/24	1.456	1.103	1.000	1.339	0.747	182	20%
2024	15,697,777	176,443	89	8.7%	8.7%	10/01/24	1.340	1.000	1.000	1.339	0.747	119	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												135	Sum((13) x (14))
D. Frequency x Severity Method												139	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												137	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Total Property Damage
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	221	152,226	1.452	-1.3%	-1.3%	10/01/24	0.849		1.000	1.000	1.000	1.233	0%
2016	247	156,217	1.581	-1.3%	-1.3%	10/01/24	0.860		1.000	1.000	1.000	1.360	0%
2017	252	158,192	1.593	-1.3%	-1.3%	10/01/24	0.872		1.000	1.000	1.000	1.388	0%
2018	241	160,927	1.497	-1.3%	-1.3%	10/01/24	0.883		1.000	1.000	1.000	1.322	0%
2019	211	161,647	1.305	-1.3%	-1.3%	10/01/24	0.895		1.000	1.000	1.000	1.168	0%
2020	212	164,240	1.291	-1.3%	-1.3%	10/01/24	0.906		1.000	1.456	1.000	1.703	20%
2021	192	168,984	1.136	-1.3%	-1.3%	10/01/24	0.918		1.000	1.462	1.000	1.525	20%
2022	340	170,999	1.988	-1.3%	-1.3%	10/01/24	0.931		1.000	1.130	1.000	2.090	20%
2023	389	172,579	2.252	-1.3%	-1.3%	10/01/24	0.943		1.000	1.000	1.000	2.124	20%
2024	404	176,443	2.287	-1.3%	-1.3%	10/01/24	0.955		1.000	1.000	1.000	2.185	20%
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												1.925	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and ALAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	2021-2 Scalar (Inflation)	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	1,214,381	221	5,495	2.9%	2.9%	10/01/24	1.430	1.218	1.000			9,569	0%
2016	1,322,998	247	5,356	2.9%	2.9%	10/01/24	1.389	1.218	1.000			9,065	0%
2017	1,276,330	252	5,065	2.9%	2.9%	10/01/24	1.350	1.218	1.000			8,330	0%
2018	1,553,362	241	6,446	2.9%	2.9%	10/01/24	1.312	1.218	1.000			10,303	0%
2019	1,732,506	211	8,212	2.9%	2.9%	10/01/24	1.275	1.218	1.000			12,755	0%
2020	1,593,917	212	7,520	2.9%	2.9%	10/01/24	1.239	1.210	1.000			11,272	20%
2021	1,234,178	192	6,430	2.9%	2.9%	10/01/24	1.204	1.214	1.000			9,397	20%
2022	2,939,347	340	8,647	2.9%	2.9%	10/01/24	1.170	1.182	1.000			11,963	20%
2023	3,849,707	389	9,903	2.9%	2.9%	10/01/24	1.137	1.068	1.000			12,025	20%
2024	3,582,187	404	8,877	2.9%	2.9%	10/01/24	1.105	1.000	1.000			9,813	20%
Selected Severity at 1/1/2028 Cost Level												10,894	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and ALAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	2021-2 Scalar (Inflation)	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	1,214,381	152,226	8	1.6%	1.6%	10/01/24	1.214	1.218	1.000	1.000	1.000	12	0%
2016	1,322,998	156,217	8	1.6%	1.6%	10/01/24	1.195	1.218	1.000	1.000	1.000	12	0%
2017	1,276,330	158,192	8	1.6%	1.6%	10/01/24	1.177	1.218	1.000	1.000	1.000	12	0%
2018	1,553,362	160,927	10	1.6%	1.6%	10/01/24	1.159	1.218	1.000	1.000	1.000	14	0%
2019	1,732,506	161,647	11	1.6%	1.6%	10/01/24	1.141	1.218	1.000	1.000	1.000	15	0%
2020	1,593,917	164,240	10	1.6%	1.6%	10/01/24	1.123	1.210	1.000	1.456	1.000	19	20%
2021	1,234,178	168,984	7	1.6%	1.6%	10/01/24	1.106	1.214	1.000	1.462	1.000	14	20%
2022	2,939,347	170,999	17	1.6%	1.6%	10/01/24	1.089	1.182	1.000	1.130	1.000	25	20%
2023	3,849,707	172,579	22	1.6%	1.6%	10/01/24	1.072	1.068	1.000	1.000	1.000	26	20%
2024	3,582,187	176,443	20	1.6%	1.6%	10/01/24	1.056	1.000	1.000	1.000	1.000	21	20%
Initial Selected Loss Cost at 1/1/2028 Cost Level												21	Sum((13) x (14))
Frequency x Severity Method												21	A * B
Selected Loss Cost at 1/1/2028 Cost Level												21	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Accident Benefits - Total
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000									(4) * (8) * (9) * (10) * (11) * (12)	Selected
	Oliver Wyman 2025 Annual Review												
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	785	152,382	5.152	0.0%	0.0%	10/29/20	1.000		1.000	1.000	0.947	4.879	0%
2016	768	156,631	4.903	0.0%	0.0%	10/29/20	1.000		1.000	1.000	0.947	4.643	0%
2017	689	158,734	4.340	0.0%	0.0%	10/29/20	1.000		1.000	1.000	0.947	4.110	0%
2018	661	161,407	4.094	0.0%	0.0%	10/29/20	1.000		1.000	1.000	0.947	3.877	0%
2019	581	162,077	3.583	0.0%	0.0%	10/29/20	1.000		1.000	1.000	0.947	3.394	0%
2020	627	164,658	3.806	0.0%	0.0%	10/29/20	1.000		1.000	1.413	0.947	5.094	20%
2021	630	169,429	3.716	0.0%	0.0%	10/29/20	1.000		1.000	1.417	0.947	4.987	20%
2022	714	171,328	4.165	0.0%	0.0%	10/29/20	1.000		1.000	1.146	0.947	4.521	20%
2023	687	172,962	3.971	0.0%	0.0%	10/29/20	1.000		1.000	1.056	0.947	3.971	20%
2024	713	176,711	4.036	0.0%	0.0%	10/29/20	1.000		1.000	1.056	0.947	4.036	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												4.522	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	8,154,149	785	10,387	11.9%	7.0%	10/29/20	2.958	1.000	1.116			34,293	0%
2016	6,765,905	768	8,810	11.9%	7.0%	10/29/20	2.644	1.000	1.116			25,993	0%
2017	7,534,120	689	10,936	11.9%	7.0%	10/29/20	2.363	1.000	1.116			28,834	0%
2018	7,279,845	661	11,016	11.9%	7.0%	10/29/20	2.111	1.000	1.116			25,956	0%
2019	8,879,323	581	15,288	11.9%	7.0%	10/29/20	1.887	1.000	1.116			32,192	0%
2020	9,856,349	627	15,727	11.9%	7.0%	10/29/20	1.686	1.000	1.116			29,595	20%
2021	11,751,283	630	18,664	11.9%	7.0%	10/29/20	1.553	1.000	1.116			32,343	20%
2022	11,113,836	714	15,575	11.9%	7.0%	10/29/20	1.451	1.000	1.097			24,788	20%
2023	18,477,689	687	26,904	11.9%	7.0%	10/29/20	1.356	1.000	1.000			36,489	20%
2024	12,854,869	713	18,024	11.9%	7.0%	10/29/20	1.268	1.000	1.000			22,847	20%
B. Selected Severity at 1/1/2028 Cost Level												29,212	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	8,154,149	152,382	54	12%	7%	10/29/20	2.958	1.000	1.116	1.000	0.947	167	0%
2016	6,765,905	156,631	43	12%	7%	10/29/20	2.644	1.000	1.116	1.000	0.947	121	0%
2017	7,534,120	158,734	47	12%	7%	10/29/20	2.363	1.000	1.116	1.000	0.947	119	0%
2018	7,279,845	161,407	45	12%	7%	10/29/20	2.111	1.000	1.116	1.000	0.947	101	0%
2019	8,879,323	162,077	55	12%	7%	10/29/20	1.887	1.000	1.116	1.000	0.947	109	0%
2020	9,856,349	164,658	60	12%	7%	10/29/20	1.686	1.000	1.116	1.413	0.947	151	20%
2021	11,751,283	169,429	69	12%	7%	10/29/20	1.553	1.000	1.116	1.417	0.947	161	20%
2022	11,113,836	171,328	65	12%	7%	10/29/20	1.451	1.000	1.097	1.146	0.947	112	20%
2023	18,477,689	172,962	107	12%	7%	10/29/20	1.356	1.000	1.000	1.056	0.947	145	20%
2024	12,854,869	176,711	73	12%	7%	10/29/20	1.268	1.000	1.000	1.056	0.947	92	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												132	Sum((13) x (14))
D. Frequency x Severity Method												132	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												132	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Collision
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
DW Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000						Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	615	60,949	10.090	-1.3%	-1.3%	10/01/24	0.849		1.000	1.000	0.656	5.620	0%
2016	638	63,567	10.036	-1.3%	-1.3%	10/01/24	0.860		1.000	1.000	0.656	5.663	0%
2017	591	65,393	9.037	-1.3%	-1.3%	10/01/24	0.872		1.000	1.000	0.656	5.167	0%
2018	560	67,324	8.317	-1.3%	-1.3%	10/01/24	0.883		1.000	1.000	0.656	4.818	0%
2019	482	67,769	7.110	-1.3%	-1.3%	10/01/24	0.895		1.000	1.000	0.656	4.173	0%
2020	466	67,646	6.886	-1.3%	-1.3%	10/01/24	0.906		1.000	1.527	0.656	6.252	20%
2021	406	68,298	5.942	-1.3%	-1.3%	10/01/24	0.918		1.000	1.534	0.656	5.492	20%
2022	348	69,171	5.029	-1.3%	-1.3%	10/01/24	0.931		1.000	1.410	0.656	4.329	20%
2023	353	70,219	5.026	-1.3%	-1.3%	10/01/24	0.943		1.000	1.524	0.656	4.738	20%
2024	376	72,111	5.209	-1.3%	-1.3%	10/01/24	0.955		1.000	1.524	0.656	4.975	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												5.157	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	5,991,244	615	9,742	3.7%	3.7%	10/01/24	1.575	1.407	1.000			21,591	0%
2016	6,012,169	638	9,424	3.7%	3.7%	10/01/24	1.519	1.407	1.000			20,140	0%
2017	5,487,414	591	9,286	3.7%	3.7%	10/01/24	1.465	1.407	1.000			19,137	0%
2018	5,805,575	560	10,369	3.7%	3.7%	10/01/24	1.412	1.407	1.000			20,606	0%
2019	4,639,607	482	9,629	3.7%	3.7%	10/01/24	1.362	1.407	1.000			18,452	0%
2020	4,484,969	466	9,628	3.7%	3.7%	10/01/24	1.313	1.390	1.000			17,577	20%
2021	4,147,099	406	10,219	3.7%	3.7%	10/01/24	1.267	1.398	1.000			18,088	20%
2022	4,387,019	348	12,611	3.7%	3.7%	10/01/24	1.221	1.337	1.000			20,594	20%
2023	4,716,253	353	13,363	3.7%	3.7%	10/01/24	1.178	1.120	1.000			17,628	20%
2024	5,664,236	376	15,080	3.7%	3.7%	10/01/24	1.136	1.000	1.000			17,128	20%
B. Selected Severity at 1/1/2028 Cost Level												18,203	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	5,991,244	60,949	98	2%	2%	10/01/24	1.337	1.407	1.000	1.000	0.656	121	0%
2016	6,012,169	63,567	95	2%	2%	10/01/24	1.307	1.407	1.000	1.000	0.656	114	0%
2017	5,487,414	65,393	84	2%	2%	10/01/24	1.277	1.407	1.000	1.000	0.656	99	0%
2018	5,805,575	67,324	86	2%	2%	10/01/24	1.247	1.407	1.000	1.000	0.656	99	0%
2019	4,639,607	67,769	68	2%	2%	10/01/24	1.219	1.407	1.000	1.000	0.656	77	0%
2020	4,484,969	67,646	66	2%	2%	10/01/24	1.191	1.390	1.000	1.527	0.656	110	20%
2021	4,147,099	68,298	61	2%	2%	10/01/24	1.163	1.398	1.000	1.534	0.656	99	20%
2022	4,387,019	69,171	63	2%	2%	10/01/24	1.136	1.337	1.000	1.410	0.656	89	20%
2023	4,716,253	70,219	67	2%	2%	10/01/24	1.110	1.120	1.000	1.524	0.656	84	20%
2024	5,664,236	72,111	79	2%	2%	10/01/24	1.085	1.000	1.000	1.524	0.656	85	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												93	Sum((13) x (14))
D. Frequency x Severity Method												94	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												94	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Comprehensive - Total
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	402	79,189	5.076	0.6%	0.6%	10/01/24	1.078		1.000	1.000	1.000	5.471	0%
2016	638	85,200	7.488	0.6%	0.6%	10/01/24	1.071		1.000	1.000	1.000	8.022	0%
2017	414	89,532	4.624	0.6%	0.6%	10/01/24	1.065		1.000	1.000	1.000	4.924	0%
2018	408	93,354	4.370	0.6%	0.6%	10/01/24	1.059		1.000	1.000	1.000	4.626	0%
2019	384	94,561	4.060	0.6%	0.6%	10/01/24	1.052		1.000	1.000	1.000	4.272	0%
2020	387	95,233	4.063	0.6%	0.6%	10/01/24	1.046		1.000	1.000	1.000	4.249	20%
2021	329	96,500	3.409	0.6%	0.6%	10/01/24	1.040		1.000	1.000	1.000	3.544	20%
2022	367	97,569	3.762	0.6%	0.6%	10/01/24	1.033		1.000	1.000	1.000	3.887	20%
2023	418	98,510	4.246	0.6%	0.6%	10/01/24	1.027		1.000	1.000	1.000	4.362	20%
2024	511	100,850	5.068	0.6%	0.6%	10/01/24	1.021		1.000	1.000	1.000	5.175	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												4.244	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	3,462,560	402	8,613	4.5%	4.5%	10/01/24	1.734	1.000	1.000			14,935	0%
2016	7,159,578	638	11,222	4.5%	4.5%	10/01/24	1.659	1.000	1.000			18,620	0%
2017	3,744,716	414	9,046	4.5%	4.5%	10/01/24	1.588	1.000	1.000			14,363	0%
2018	3,649,507	408	8,945	4.5%	4.5%	10/01/24	1.519	1.000	1.000			13,592	0%
2019	3,069,192	384	7,994	4.5%	4.5%	10/01/24	1.454	1.000	1.000			11,623	0%
2020	3,714,837	387	9,601	4.5%	4.5%	10/01/24	1.391	1.000	1.000			13,359	20%
2021	3,161,635	329	9,612	4.5%	4.5%	10/01/24	1.331	1.000	1.000			12,798	20%
2022	3,286,769	367	8,955	4.5%	4.5%	10/01/24	1.274	1.000	1.000			11,410	20%
2023	4,129,196	418	9,872	4.5%	4.5%	10/01/24	1.219	1.000	1.000			12,037	20%
2024	5,941,762	511	11,626	4.5%	4.5%	10/01/24	1.167	1.000	1.000			13,565	20%
B. Selected Severity at 1/1/2028 Cost Level												12,634	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	3,462,560	79,189	44	5%	5%	10/01/24	1.869	1.000	1.000	1.000	1.000	81.7	0%
2016	7,159,578	85,200	84	5%	5%	10/01/24	1.777	1.000	1.000	1.000	1.000	149.4	0%
2017	3,744,716	89,532	42	5%	5%	10/01/24	1.691	1.000	1.000	1.000	1.000	70.7	0%
2018	3,649,507	93,354	39	5%	5%	10/01/24	1.608	1.000	1.000	1.000	1.000	62.9	0%
2019	3,069,192	94,561	32	5%	5%	10/01/24	1.530	1.000	1.000	1.000	1.000	49.7	0%
2020	3,714,837	95,233	39	5%	5%	10/01/24	1.455	1.000	1.000	1.000	1.000	56.8	20%
2021	3,161,635	96,500	33	5%	5%	10/01/24	1.384	1.000	1.000	1.000	1.000	45.4	20%
2022	3,286,769	97,569	34	5%	5%	10/01/24	1.317	1.000	1.000	1.000	1.000	44.4	20%
2023	4,129,196	98,510	42	5%	5%	10/01/24	1.253	1.000	1.000	1.000	1.000	52.5	20%
2024	5,941,762	100,850	59	5%	5%	10/01/24	1.191	1.000	1.000	1.000	1.000	70.2	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												53.8	Sum((13) x (14))
D. Frequency x Severity Method												53.6	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												53.7	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
All Perils
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	40	3,681	10.866	-8.2%	-8.2%	10/01/24	0.345		1.000	1.000	1.000	3.745	0%
2016	64	4,532	14.121	-8.2%	-8.2%	10/01/24	0.375		1.000	1.000	1.000	5.300	0%
2017	98	5,908	16.587	-8.2%	-8.2%	10/01/24	0.409		1.000	1.000	1.000	6.780	0%
2018	98	7,148	13.711	-8.2%	-8.2%	10/01/24	0.445		1.000	1.000	1.000	6.102	0%
2019	102	8,259	12.350	-8.2%	-8.2%	10/01/24	0.485		1.000	1.000	1.000	5.985	0%
2020	93	9,391	9.903	-8.2%	-8.2%	10/01/24	0.528		1.000	1.414	1.000	7.387	20%
2021	136	10,986	12.376	-8.2%	-8.2%	10/01/24	0.575		1.000	1.418	1.000	10.081	20%
2022	143	12,643	11.300	-8.2%	-8.2%	10/01/24	0.626		1.000	1.119	1.000	7.909	20%
2023	165	14,357	11.462	-8.2%	-8.2%	10/01/24	0.681		1.000	1.000	1.000	7.810	20%
2024	197	16,051	12.247	-8.2%	-8.2%	10/01/24	0.742		1.000	1.000	1.000	9.086	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												8.455	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	356,308	40	8,908	12.9%	12.9%	10/01/24	4.569	1.000	1.000			40,702	0%
2016	476,415	64	7,444	12.9%	12.9%	10/01/24	4.047	1.000	1.000			30,122	0%
2017	844,559	98	8,618	12.9%	12.9%	10/01/24	3.584	1.000	1.000			30,883	0%
2018	898,284	98	9,166	12.9%	12.9%	10/01/24	3.174	1.000	1.000			29,089	0%
2019	1,108,950	102	10,872	12.9%	12.9%	10/01/24	2.810	1.000	1.000			30,555	0%
2020	776,746	93	8,352	12.9%	12.9%	10/01/24	2.489	1.000	1.000			20,787	20%
2021	1,350,454	136	9,932	12.9%	12.9%	10/01/24	2.204	1.000	1.000			21,891	20%
2022	1,686,356	143	11,803	12.9%	12.9%	10/01/24	1.952	1.000	1.000			23,039	20%
2023	2,154,579	165	13,093	12.9%	12.9%	10/01/24	1.729	1.000	1.000			22,632	20%
2024	2,698,028	197	13,726	12.9%	12.9%	10/01/24	1.531	1.000	1.000			21,011	20%
B. Selected Severity at 1/1/2028 Cost Level												21,872	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	356,308	3,681	97	4%	4%	10/01/24	1.575	1.000	1.000	1.000	1.000	152	0%
2016	476,415	4,532	105	4%	4%	10/01/24	1.519	1.000	1.000	1.000	1.000	160	0%
2017	844,559	5,908	143	4%	4%	10/01/24	1.465	1.000	1.000	1.000	1.000	209	0%
2018	898,284	7,148	126	4%	4%	10/01/24	1.412	1.000	1.000	1.000	1.000	178	0%
2019	1,108,950	8,259	134	4%	4%	10/01/24	1.362	1.000	1.000	1.000	1.000	183	0%
2020	776,746	9,391	83	4%	4%	10/01/24	1.313	1.000	1.000	1.414	1.000	154	20%
2021	1,350,454	10,986	123	4%	4%	10/01/24	1.267	1.000	1.000	1.418	1.000	221	20%
2022	1,686,356	12,643	133	4%	4%	10/01/24	1.221	1.000	1.000	1.119	1.000	182	20%
2023	2,154,579	14,357	150	4%	4%	10/01/24	1.178	1.000	1.000	1.000	1.000	177	20%
2024	2,698,028	16,051	168	4%	4%	10/01/24	1.136	1.000	1.000	1.000	1.000	191	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												185	Sum((13) x (14))
D. Frequency x Severity Method												185	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												185	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Specified Perils
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	70	16,210	4.318	-1.0%	-1.0%	10/01/24	0.880		1.000	1.000	1.000	3.800	0%
2016	65	14,788	4.395	-1.0%	-1.0%	10/01/24	0.889		1.000	1.000	1.000	3.908	0%
2017	61	13,517	4.513	-1.0%	-1.0%	10/01/24	0.898		1.000	1.000	1.000	4.054	0%
2018	38	12,465	3.049	-1.0%	-1.0%	10/01/24	0.907		1.000	1.000	1.000	2.766	0%
2019	39	11,572	3.371	-1.0%	-1.0%	10/01/24	0.917		1.000	1.000	1.000	3.091	0%
2020	26	11,029	2.359	-1.0%	-1.0%	10/01/24	0.926		1.000	1.000	1.000	2.185	20%
2021	26	10,786	2.412	-1.0%	-1.0%	10/01/24	0.936		1.000	1.000	1.000	2.257	20%
2022	17	10,375	1.640	-1.0%	-1.0%	10/01/24	0.945		1.000	1.000	1.000	1.550	20%
2023	26	9,858	2.651	-1.0%	-1.0%	10/01/24	0.955		1.000	1.000	1.000	2.532	20%
2024	28	9,478	2.942	-1.0%	-1.0%	10/01/24	0.965		1.000	1.000	1.000	2.838	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												2.272	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	476,157	70	6,802	6.4%	6.4%	10/01/24	2.167	1.000	1.000			14,744	0%
2016	425,847	65	6,551	6.4%	6.4%	10/01/24	2.037	1.000	1.000			13,348	0%
2017	337,003	61	5,525	6.4%	6.4%	10/01/24	1.915	1.000	1.000			10,581	0%
2018	234,361	38	6,167	6.4%	6.4%	10/01/24	1.800	1.000	1.000			11,103	0%
2019	286,351	39	7,340	6.4%	6.4%	10/01/24	1.692	1.000	1.000			12,422	0%
2020	118,271	26	4,546	6.4%	6.4%	10/01/24	1.591	1.000	1.000			7,232	20%
2021	138,998	26	5,343	6.4%	6.4%	10/01/24	1.495	1.000	1.000			7,990	20%
2022	121,549	17	7,144	6.4%	6.4%	10/01/24	1.406	1.000	1.000			10,043	20%
2023	177,534	26	6,793	6.4%	6.4%	10/01/24	1.321	1.000	1.000			8,976	20%
2024	185,232	28	6,644	6.4%	6.4%	10/01/24	1.242	1.000	1.000			8,252	20%
B. Selected Severity at 1/1/2028 Cost Level												8,499	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	476,157	16,210	29	5%	5%	10/01/24	1.907	1.000	1.000	1.000	1.000	56	0%
2016	425,847	14,788	29	5%	5%	10/01/24	1.811	1.000	1.000	1.000	1.000	52	0%
2017	337,003	13,517	25	5%	5%	10/01/24	1.720	1.000	1.000	1.000	1.000	43	0%
2018	234,361	12,465	19	5%	5%	10/01/24	1.634	1.000	1.000	1.000	1.000	31	0%
2019	286,351	11,572	25	5%	5%	10/01/24	1.551	1.000	1.000	1.000	1.000	38	0%
2020	118,271	11,029	11	5%	5%	10/01/24	1.473	1.000	1.000	1.000	1.000	16	20%
2021	138,998	10,786	13	5%	5%	10/01/24	1.399	1.000	1.000	1.000	1.000	18	20%
2022	121,549	10,375	12	5%	5%	10/01/24	1.329	1.000	1.000	1.000	1.000	16	20%
2023	177,534	9,858	18	5%	5%	10/01/24	1.262	1.000	1.000	1.000	1.000	23	20%
2024	185,232	9,478	20	5%	5%	10/01/24	1.198	1.000	1.000	1.000	1.000	23	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												19	Sum((13) x (14))
D. Frequency x Severity Method												19	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												19	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Loss Cost - Current Product
Underinsured Motorist
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Oliver Wyman Loss Trend Report	GISA Report AUT07001	(2) / (3) * 1000					Oliver Wyman 2025 Annual Review				(4) * (8) * (9) * (10) * (11) * (12)	Selected
Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level													
Accident Year	Ultimate Claim Counts	Earned Vehicles	Frequency (per 1,000 Vehicles)	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	5	150,519	0.032	4.6%	4.6%	10/01/24	1.755		1.000	1.000	1.000	0.055	0%
2016	5	154,201	0.035	4.6%	4.6%	10/01/24	1.678		1.000	1.000	1.000	0.058	0%
2017	1	155,656	0.005	4.6%	4.6%	10/01/24	1.604		1.000	1.000	1.000	0.009	0%
2018	4	157,741	0.024	4.6%	4.6%	10/01/24	1.533		1.000	1.000	1.000	0.036	0%
2019	4	158,014	0.025	4.6%	4.6%	10/01/24	1.466		1.000	1.000	1.000	0.036	0%
2020	4	159,953	0.027	4.6%	4.6%	10/01/24	1.401		1.000	1.000	1.000	0.037	20%
2021	3	164,184	0.020	4.6%	4.6%	10/01/24	1.340		1.000	1.000	1.000	0.027	20%
2022	7	165,524	0.042	4.6%	4.6%	10/01/24	1.281		1.000	1.000	1.000	0.054	20%
2023	11	166,568	0.065	4.6%	4.6%	10/01/24	1.225		1.000	1.000	1.000	0.079	20%
2024	13	169,414	0.077	4.6%	4.6%	10/01/24	1.171		1.000	1.000	1.000	0.090	20%
A. Selected Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level												0.058	Sum((13) x (14))
Selected Severity at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Ultimate Claim Counts	Severity	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Severity at 1/1/2028 Cost Level	Weights
2015	965,095	5	203,309	0.0%	0.0%	10/01/24	1.000	1.000	1.000			203,309	0%
2016	1,593,519	5	297,888	0.0%	0.0%	10/01/24	1.000	1.000	1.000			297,888	0%
2017	84,088	1	98,942	0.0%	0.0%	10/01/24	1.000	1.000	1.000			98,942	0%
2018	574,870	4	154,276	0.0%	0.0%	10/01/24	1.000	1.000	1.000			154,276	0%
2019	3,721,126	4	947,023	0.0%	0.0%	10/01/24	1.000	1.000	1.000			947,023	0%
2020	3,648,046	4	855,503	0.0%	0.0%	10/01/24	1.000	1.000	1.000			855,503	20%
2021	1,886,324	3	560,618	0.0%	0.0%	10/01/24	1.000	1.000	1.000			560,618	20%
2022	3,535,325	7	510,002	0.0%	0.0%	10/01/24	1.000	1.000	1.000			510,002	20%
2023	3,755,253	11	347,436	0.0%	0.0%	10/01/24	1.000	1.000	1.000			347,436	20%
2024	6,461,352	13	498,076	0.0%	0.0%	10/01/24	1.000	1.000	1.000			498,076	20%
B. Selected Severity at 1/1/2028 Cost Level												554,327	Sum((13) x (14))
Selected Loss Cost at 1/1/2028 Cost Level													
Accident Year	Ultimate Loss and LAE Estimate	Earned Vehicles	Loss Cost	Past 1 Trend	Past 2 / Future Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	Excess Inflation Adjustment	Reform Impact	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Loss Cost at 1/1/2028 Cost Level	Weights
2015	965,095	150,519	6	5%	5%	10/01/24	1.755	1.000	1.000	1.000	1.000	11	0%
2016	1,593,519	154,201	10	5%	5%	10/01/24	1.678	1.000	1.000	1.000	1.000	17	0%
2017	84,088	155,656	1	5%	5%	10/01/24	1.604	1.000	1.000	1.000	1.000	1	0%
2018	574,870	157,741	4	5%	5%	10/01/24	1.533	1.000	1.000	1.000	1.000	6	0%
2019	3,721,126	158,014	24	5%	5%	10/01/24	1.466	1.000	1.000	1.000	1.000	35	0%
2020	3,648,046	159,953	23	5%	5%	10/01/24	1.401	1.000	1.000	1.000	1.000	32	20%
2021	1,886,324	164,184	11	5%	5%	10/01/24	1.340	1.000	1.000	1.000	1.000	15	20%
2022	3,535,325	165,524	21	5%	5%	10/01/24	1.281	1.000	1.000	1.000	1.000	27	20%
2023	3,755,253	166,568	23	5%	5%	10/01/24	1.225	1.000	1.000	1.000	1.000	28	20%
2024	6,461,352	169,414	38	5%	5%	10/01/24	1.171	1.000	1.000	1.000	1.000	45	20%
C. Initial Selected Loss Cost at 1/1/2028 Cost Level												29	Sum((13) x (14))
D. Frequency x Severity Method												32	A * B
E. Selected Loss Cost at 1/1/2028 Cost Level												31	average(A * B, C)

Notes
(9) Factor for temporary increase in inflation
(11) Factor to adjust to pre-pandemic frequency levels
(12) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Non-Claim Expenses - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	
as Percentage of Direct Written Premium				
Accident Year	Total Commissions (including CPC)	Taxes	Other Acquisition and General Expenses	
A.1. Selected Expense Provision	13.2%	4.0%	10.1%	PPV Analysis
A.2. Percent Variable	100%	100%	60%	PPV Analysis
A.3. Percent Fixed	0%	0%	40%	PPV Analysis
B. Estimated Variable Expense Provision			23.2%	Sum[A.1 x A.2]
C.1. Estimated Fixed Expense (as % of Premium)			4.0%	Sum[A.1 x A.3]
C.2. 2024-2 Average Written Premium			401	GISA Report AUTO7001
C.3. Estimated Fixed Expense (per Vehicle)			16	C.1 * C.2
D.1. Fixed Expense Trend Rate			4.0%	Selected
D.2. Trend From Date			10/01/24	
D.3. Trend To Date			01/01/28	
D.4. Fixed Expense Trend			1.136	$(1 + D.1)^{[(D.3 - D.2) / 365.25]}$
D.5. Estimated Fixed Expense per Earned Vehicle			18	C.3 * D.4

Notes

(2)

CPC = contingent profit commission.

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Health Levy - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
	See Note	GISA Report AUTO7001	(2) * (3)	GISA Report AUTO7001	(4) / (5)
Accident Year	Health Levy	TPL Earned Premium	Total Health Levy	Earned Vehicles	Health Levy Cost per Vehicles
2013	5.74%	14,638,227	839,502	140,821	5.96
2014	4.95%	15,382,995	761,458	146,636	5.19
2015	5.72%	16,289,716	931,772	152,226	6.12
2016	6.18%	16,425,468	1,014,273	156,217	6.49
2017	5.79%	16,463,940	952,439	158,192	6.02
2018	7.04%	16,327,150	1,149,431	160,927	7.14
2019	6.70%	16,313,843	1,093,027	161,647	6.76
2020	4.74%	16,586,314	786,191	164,240	4.79
2021	2.94%	17,101,889	502,796	168,984	2.98
2022	3.55%	17,243,449	612,142	170,999	3.58
2023	2.86%	17,596,988	503,274	172,579	2.92
2024	2.94%	18,596,025	546,723	176,443	3.10
2025	1.94%		552,190	178,207	3.10
2026			557,712	179,989	3.10
2027			563,289	181,789	3.10
2028			568,922	183,607	3.10
			Indicated Trend		
		2013 - 2022	-3.7%	2.0%	
		2013 - 2019	6.0%	2.3%	
		2015 - 2019	4.5%	1.5%	
		2021 - 2024	0.6%	1.4%	
		Selected	1.0%	1.0%	

Note
(2)
(4) & (5)

Tax and Revenue Administration (TRA) - Health Cost Recovery Special Notice Vol. 6 No. 26
2025 - 2027 projected based on actual 2024 health levy and selected trend.
Health levy trend selection implicitly considers reduction in frequency observed during the pandemic.

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Forecasted Required Premium - Current Product
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
			per (3)	MC Exhibit CP-1.1 - MC Exhibit CP-1.8	See Note	(5) * (6)	See Note	MC Exhibit CP-2.1	Board Benchmark	(7) * (8) / (1 - (9) - (10))	See Note	(11) + (12)	
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	Selected Loss Cost at 1/1/2028 Cost Level	Claim Payment Pattern Factor	Projected Discounted Loss Cost per Vehicle	Delay in Receiving Premiums	Estimated Variable Expense Provision	Profit Provision	Estimated Required Premium (Excl. Fixed Expense)	Allocated Fixed Expense	Estimated Required Premium	
Third Party Liability	Bodily Injury			136.95	0.871	119.23	1.007	23%	6%	170	8	178	
Third Party Liability	DCPD			21.04	0.975	20.51	1.007	23%	6%	29	1	31	
Third Party Liability	Health Levy			3.10	1.000	3.10	1.007	23%	6%	4	0	5	
Third Party Liability	Total	61,992	100%	161.089	0.887	142.84	1.007	23%	6%	203	10	213	
Accident Benefits	Accident Benefits - Total	62,064	100%	132.17	0.945	124.88	1.007	23%	6%	178	9	186	
Collision	Collision	24,401	39%	93.65	0.979	91.69	1.007	23%	6%	130	6	137	
Comprehensive	Comprehensive - Total	35,126	57%	53.72	0.978	52.54	1.007	23%	6%	75	4	78	
All Perils	All Perils	5,904	10%	184.87	0.977	180.61	1.007	23%	6%	257	13	270	
Specified Perils	Specified Perils	3,516	6%	19.21	0.979	18.80	1.007	23%	6%	27	1	28	
Underinsured Motorists	Underinsured Motorist	58,549	94%	30.64	0.825	25.27	1.007	23%	6%	36	2	38	
				D.5. Estimated Fixed Expense per Earned Vehicle			18	1.007	23%	6%	26		
						MC Exhibit CP-2.1							
Package	Basic Coverage			293	0.913	268	1.007	23%	6%	381	19	400	
Package	Full Coverage			471	0.928	437	1.007	23%	6%	622	30	653	
Package	Industry Weighted Average			408	0.920	376	1.007	23%	6%	535	26	561	

Notes

- (6) Based on 5-year industry average investment income rate of 3.00% and selected payment pattern
(8) Based on investment rate of 3.00% and assumed three month delay
(12) Total fixed expense per Earned Vehicle from MC Exhibit CP-2.1. Fixed expenses allocated to coverages proportional to (11).

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Bodily Injury - Ultimate Loss and ALAE Allocation
Data as of 12/31/2024

(1)	(2) AUTO-7001	(3) AUTO-7001	(4) SUM((2):(3))	(5) (2) / (4)	(6) (3) / (4)	(7) (4) / (4)
Accident Half Year	Reported Incurred Claims and ALAE			Distribution		
	Within Province	Out of Province	Total	Within Province	Out of Province	Total
202201	1,343,002	783,331	2,126,333	63.2%	36.8%	100.0%
202202	2,727,355	198,174	2,925,529	93.2%	6.8%	100.0%
202301	3,760,565	233,452	3,994,017	94.2%	5.8%	100.0%
202302	2,784,103	793,530	3,577,633	77.8%	22.2%	100.0%
202401	775,892	0	775,892	100.0%	0.0%	100.0%
202402	2,023,319	92,300	2,115,619	95.6%	4.4%	100.0%

		Weighted Average	
A.	All-Year Weighted Average.....	86.5%	13.5%
B.	Selected Out of Province Distribution.....	86.5%	13.5%
C.	Selected Out of Province Severity Differential Factor..... Estimated ratio of average severity for out-of-province claims to in-province claims		150.0%
D.	Implied Frequency Adjustment..... B. / C.		9.0%

Notes:

- (2) Includes loss codes 5 and 6 from the kind of loss code field in Exhibit AUTO7001.
- (3) Includes loss codes 3 and 4 from the kind of loss code field in Exhibit AUTO7001.

Province of Alberta
 Motorcycles
 Actuarial Analysis - Reform Costing

Bodily Injury - Ultimate Loss and ALAE Allocation
Data as of 12/31/2024

(1)	(2)	(3)	(4)
	MC Exhibit CP-1.1	MC Exhibit CF-1.1.1	(2) * (3)
Metric	Current Product	Out of Province Adjustment	Care-First
Frequency	0.2949	9.0%	0.027
Severity	470,642	150.0%	705,963
BI Loss Cost: Out of Province Claims			18.79

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Underinsured Motorist - Ultimate Loss and ALAE Allocation
Data as of 12/31/2024

(1)	(2)	(3)	(4)
	MC Exhibit CP-1.8	MC Exhibit CF-1.1	(2) * (3)
Accident Year	Loss Cost at 1/1/2028 Cost Level	Selected Out of Province Distribution	Estimated Loss Cost for Out of Province Accidents
2015	11.25	13.5%	1.52
2016	17.34	13.5%	2.35
2017	0.87	13.5%	0.12
2018	5.59	13.5%	0.76
2019	34.52	13.5%	4.67
2020	31.96	13.5%	4.33
2021	15.39	13.5%	2.08
2022	27.36	13.5%	3.70
2023	27.61	13.5%	3.74
2024	44.65	13.5%	6.05
	All-Year Average		2.93
	5-year average		3.98
	Selected Loss Cost at 1/1/2028 Cost Level		3.98

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

**Bodily Injury - Selected Loss Cost
Data as of 12/31/2024**

(1)	(2) - PPV.xlsm]Exhibit CF-	(3) PPV, Exhibit CP-1.1	(4) MC Exhibit CP-1.1	(5) See Note	(6) (2) / (3) * (4) * (5)
Basis of Tort Claim	PPV Loss Cost per Vehicle	PPV Underlying Benefit Frequency	MC Bodily Injury Frequency	MC Severity Adjustment Factor	Loss Cost per Vehicle
Out of Province Claims				MC Exhibit CF-1.1.2 -->	18.79
Excess Disability Income	3.94	4.745	0.295	0.750	0.184
Excess Out-of-Pocket Expenses for Personal Care Assistance	1.89	4.745	0.295	1.000	0.117
Excess Out-of-Pocket Expenses for Funerals	0.36	4.745	0.295	1.000	0.022
Excess Out-of-Pocket Expenses for Grief Counseling Limits	0.01	4.745	0.295	1.000	0.001
Excess of Care-First Family Enterprise Limits	1.13	4.745	0.295	1.000	0.070
Total Bodily Injury Loss Cost					19.18
Selected Bodily Injury Loss Cost					20.00
Frictional Cost Factor					1.20
Final Bodily Injury Loss Cost Including Frictional Costs					24.00

Note

We assume that the loss cost for in-province tort claims is scaled by the relative frequency of bodily injury claims, as the claimant in the tort action will not differ between PPV and CV.

(5) Selected based on relativities from (6) of PPV, Exhibit CF-6.7

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Accident Benefits - Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	GISA Report AUTO7001		Oliver Wyman Analysis			(5) + (6)	Oliver Wyman Analysis		(8) + (9)	(3) / (2) * 1000	(4) / (2) * 1000	(7) / (2) * 1000	(10) / (2) * 1000
		Alberta Ultimate Claim Counts								Alberta Frequency (per 1,000 Vehicles)			
Accident Year	Earned Vehicles	Medical Expenses	Income Replacement	Death Benefits	Funeral	Funeral and Death Benefits	Excess	Uninsured	Excess and Uninsured	Medical Expenses	Income Replacement	Funeral and Death Benefits	Excess and Uninsured
2015	152,382	504	235	15	29	44	0	2	2	3.3	1.5	0.3	0.0
2016	156,631	508	204	19	36	55	0	1	1	3.2	1.3	0.4	0.0
2017	158,734	463	186	12	27	39	0	1	1	2.9	1.2	0.2	0.0
2018	161,407	452	176	10	22	32	0	1	1	2.8	1.1	0.2	0.0
2019	162,077	377	156	13	33	46	0	2	2	2.3	1.0	0.3	0.0
2020	164,658	426	162	9	28	37	0	1	1	2.6	1.0	0.2	0.0
2021	169,429	411	177	15	26	41	0	1	1	2.4	1.0	0.2	0.0
2022	171,328	463	202	16	31	47	1	1	2	2.7	1.2	0.3	0.0
2023	172,962	461	177	18	30	48	1	0	1	2.7	1.0	0.3	0.0
2024	176,711	479	177	18	37	55	2	0	2	2.7	1.0	0.3	0.0

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Accident Benefits Medical Expenses - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	MC Exhibit CF-2.1			Oliver Wyman Loss Trend Report				(2) * (6) * (7) * (8)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2 /Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	3.3	0.0%	0.0%	10/29/20	1.000	1.000	0.947	3.1	0%
2016	3.2	0.0%	0.0%	10/29/20	1.000	1.000	0.947	3.1	0%
2017	2.9	0.0%	0.0%	10/29/20	1.000	1.000	0.947	2.8	0%
2018	2.8	0.0%	0.0%	10/29/20	1.000	1.000	0.947	2.7	0%
2019	2.3	0.0%	0.0%	10/29/20	1.000	1.000	0.947	2.2	0%
2020	2.6	0.0%	0.0%	10/29/20	1.000	1.413	0.947	3.5	20%
2021	2.4	0.0%	0.0%	10/29/20	1.000	1.417	0.947	3.3	20%
2022	2.7	0.0%	0.0%	10/29/20	1.000	1.146	0.947	2.9	20%
2023	2.7	0.0%	0.0%	10/29/20	1.000	1.056	0.947	2.7	20%
2024	2.7	0.0%	0.0%	10/29/20	1.000	1.056	0.947	2.7	20%

Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level 3.0 Sum [(9) x (10)]

Notes

- (6) Future trend is equal to Past 2 trend
- (7) Factor to adjust to pre-pandemic frequency levels
- (8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Accident Benefits Income Replacement - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	MC Exhibit CF-2.1			Oliver Wyman Loss Trend Report				(2) * (6) * (7) * (8)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2 /Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	1.5	0.0%	0.0%	10/29/20	1.000	1.000	0.947	1.5	0%
2016	1.3	0.0%	0.0%	10/29/20	1.000	1.000	0.947	1.2	0%
2017	1.2	0.0%	0.0%	10/29/20	1.000	1.000	0.947	1.1	0%
2018	1.1	0.0%	0.0%	10/29/20	1.000	1.000	0.947	1.0	0%
2019	1.0	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.9	0%
2020	1.0	0.0%	0.0%	10/29/20	1.000	1.413	0.947	1.3	20%
2021	1.0	0.0%	0.0%	10/29/20	1.000	1.417	0.947	1.4	20%
2022	1.2	0.0%	0.0%	10/29/20	1.000	1.146	0.947	1.3	20%
2023	1.0	0.0%	0.0%	10/29/20	1.000	1.056	0.947	1.0	20%
2024	1.0	0.0%	0.0%	10/29/20	1.000	1.056	0.947	1.0	20%

Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level 1.2 Sum [(9) x (10)]

Notes

- (6) Future trend is equal to Past 2 trend
- (7) Factor to adjust to pre-pandemic frequency levels
- (8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Accident Benefits Funeral and Death Benefits - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	MC Exhibit CF-2.1			Oliver Wyman Loss Trend Report				(2) * (6) * (7) * (8)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2 /Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	0.3	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.3	0%
2016	0.4	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.3	0%
2017	0.2	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.2	0%
2018	0.2	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.2	0%
2019	0.3	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.3	0%
2020	0.2	0.0%	0.0%	10/29/20	1.000	1.413	0.947	0.3	20%
2021	0.2	0.0%	0.0%	10/29/20	1.000	1.417	0.947	0.3	20%
2022	0.3	0.0%	0.0%	10/29/20	1.000	1.146	0.947	0.3	20%
2023	0.3	0.0%	0.0%	10/29/20	1.000	1.056	0.947	0.3	20%
2024	0.3	0.0%	0.0%	10/29/20	1.000	1.056	0.947	0.3	20%

Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level 0.3 Sum [(9) x (10)]

Notes

- (6) Future trend is equal to Past 2 trend
- (7) Factor to adjust to pre-pandemic frequency levels
- (8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Accident Benefits Excess and Uninsured - Selected Frequency
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	MC Exhibit CF-2.1			Oliver Wyman Loss Trend Report				(2) * (6) * (7) * (8)	Selected
Accident Year	Alberta Frequency (per 1,000 Vehicles)	Alberta Past 1 Frequency Trend	Alberta Past 2 /Future Frequency Trend	Trend (Transition) Date	Trend Factor to 1/1/2028	COVID-19 (Unwinding) Factors	Post-COVID Adjustment	Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	Weights
2015	0.0	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.0	0%
2016	0.0	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.0	0%
2017	0.0	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.0	0%
2018	0.0	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.0	0%
2019	0.0	0.0%	0.0%	10/29/20	1.000	1.000	0.947	0.0	0%
2020	0.0	0.0%	0.0%	10/29/20	1.000	1.413	0.947	0.0	20%
2021	0.0	0.0%	0.0%	10/29/20	1.000	1.417	0.947	0.0	20%
2022	0.0	0.0%	0.0%	10/29/20	1.000	1.146	0.947	0.0	20%
2023	0.0	0.0%	0.0%	10/29/20	1.000	1.056	0.947	0.0	20%
2024	0.0	0.0%	0.0%	10/29/20	1.000	1.056	0.947	0.0	20%

Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level 0.0 Sum [(9) x (10)]

Notes

- (6) Future trend is equal to Past 2 trend
- (7) Factor to adjust to pre-pandemic frequency levels
- (8) Factor to adjust for differences pre-pandemic and post-pandemic frequency levels

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Accident Benefits - Frequency
Data as of 12/31/2024

	(1)	(2)	(3)
A. Funeral and Death Benefits Selected Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level		0.30	MC Exhibit CF-2.4
B. Selected (P/I + F/D) Frequency : F/D Frequency Factor		8.000	See Note
C. Selected Permanent Impairment Frequency		2.12	A. * (B. - 1)

Notes:
(2)

Below is a table from the 2023 Alberta Traffic Collision Statistics Report. We use the ratio of major injuries to the number of deaths to inform the selection of the increase in frequency due to the introduction of permanent impairment benefits. We note this methodology assumes all major injuries would result in a permanent impairment claim, which we find to be reasonable.

Casualties	2023	2022	2021	2020
Number Killed	30	33	31	31
Number of Major Injuries	221	244	218	244
Ratio of Major Injuries to Deaths	7.37	7.39	7.03	7.87

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Alberta Licensed Driver Data
Data as of 12/31/2024

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)
<https://open.alberta.ca/dataset/b8080d81-55ef-4a10-bfb5-75d31d2be969/resource/f7ac82eb-0983-4bf3-a251-739476df3d35/download/tec-licensed-drivers-by-licence-class-gender-age-2025.pdf>

Class 5 (basic passenger vehicles) Licensed Drivers						Class 6 (Motorcycle) Licensed Drivers					
Total	2021	2022	2023	2024	2025	Total	2021	2022	2023	2024	2025
16-17	37,010	39,998	40,980	41,511	43,771						
18-20	92,011	97,860	101,766	104,011	108,227						
16-20	129,021	137,858	142,746	145,522	151,998	16-20	645	1,067	1,194	1,393	1,613
21-24	160,925	163,480	167,255	173,460	179,632	21-24	3,418	3,719	3,805	4,007	4,271
25-34	535,141	530,962	538,250	552,267	558,369	25-34	30,443	29,889	28,624	27,713	26,885
35-44	557,410	571,728	592,459	615,962	634,865	35-44	53,769	54,508	54,490	54,123	53,748
45-54	451,323	459,520	470,917	483,917	498,869	45-54	60,963	60,916	60,705	60,436	60,074
55-64	434,342	434,905	435,149	436,047	436,383	55-64	78,225	77,014	75,445	73,796	72,119
56-69	168,475	178,463	187,657	194,040	200,113	56-69	32,600	34,524	36,223	36,952	37,704
70-74	124,466	129,487	135,439	142,861	151,387	70-74	18,661	20,936	23,168	25,867	28,319
75-79	76,892	84,247	91,872	97,510	104,529	75-79	7,065	8,394	9,960	11,382	13,213
80+	70,227	72,865	76,537	80,991	85,534	80+	3,183	3,562	4,039	4,594	5,035
					3,001,679						302,981
Male						Male					
16-17	19,610	21,421	22,077	22,614	24,096						
18-20	49,176	52,123	54,749	56,909	60,211						
16-20	68,786	73,544	76,826	79,523	84,307	16-20	600	957	1,075	1,249	1,449
21-24	84,871	86,009	88,564	92,893	97,801	21-24	3,134	3,411	3,476	3,651	3,880
25-34	265,503	263,015	268,710	279,169	284,515	25-34	26,706	26,259	25,243	24,568	23,924
35-44	268,040	274,054	284,669	297,943	308,484	35-44	46,305	46,920	46,909	46,635	46,380
45-54	213,314	217,097	222,946	230,119	237,722	45-54	51,522	51,440	51,292	51,225	51,008
55-64	195,457	195,909	196,692	197,996	198,891	55-64	67,710	66,332	64,711	62,936	61,158
56-69	75,178	79,564	83,559	86,576	89,227	56-69	28,868	30,515	31,988	32,612	33,162
70-74	55,205	57,549	60,294	63,541	67,342	70-74	16,617	18,645	20,546	22,900	25,064
75-79	34,864	38,175	41,640	44,376	47,840	75-79	6,307	7,512	8,914	10,174	11,804
80+	35,817	37,154	38,767	40,613	42,665	80+	2,905	3,258	3,692	4,175	4,590

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Motorcycle Wage Distribution & Benefit Limit Adjustment
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)
	per MC Exhibit CF-4.1; (6)	per MC Exhibit CF-4.1; (12)		Table: 11-10-0239-01	Table: 11-10-0239-01
2025 Total Alberta Age Distribution Comparison					
	Class 5	Class 6	Higher PPV / (Lower PPV)	Alberta Income by Age	Manitoba Income by Age
16-20	5.1%	0.5%	+4.5%	17,600	19,800
21-24	6.0%	1.4%	+4.6%	17,600	19,800
25-34	18.6%	8.9%	+9.7%	58,400	49,400
35-44	21.2%	17.7%	+3.4%	74,800	62,800
45-54	16.6%	19.8%	-3.2%	86,400	71,600
55-64	14.5%	23.8%	-9.3%	72,900	61,800
56-69	6.7%	12.4%	-5.8%	42,200	29,400
70-74	5.0%	9.3%	-4.3%	42,200	29,400
75-79	3.5%	4.4%	-0.9%	42,200	29,400
80+	2.8%	1.7%	+1.2%	42,200	29,400
			PPV Average Income	61,200	50,848
			MC Average Income	65,014	52,993
			Ratio of MC to PPV	1.062	1.042
			A. Additional Effect of Alberta Distribution	1.019	
Male Percent of Total Licenses					
Private Passenger Vehicle	49%	per MC Exhibit CF-4.1; (6)	Private Passenger Gender Weighted Average Income	Alberta	Manitoba
Motorcycle	87%	per MC Exhibit CF-4.1; (12)	Motorcycle Gender Weighted Average Income	61,005	50,776
Alberta Average Income for Males	75,100	Table: 11-10-0239-01		71,405	56,918
Alberta Average Income for Females	47,500	Table: 11-10-0239-01	B. Additional Effect of Alberta Distribution	1.171	1.121
Manitoba Average Income for Males	59,100	Table: 11-10-0239-01			
Manitoba Average Income for Females	42,800	Table: 11-10-0239-01			
C. PPV Wage Adjustment for Earners		1.175	PPV Analysis Exhibit CF-5.3		
D. Additional Adjustments		1.064	per A. and B.		
E. MC Wage Adjustment for Earners		1.186	(C. - 1) * D. + 1		
F. Selected MC Total Disability Income Adjustment		1.175	considers other Income Replacement benefit categories		

Province of Alberta
Motorcycles
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Motorcycle Wage Distribution Adjustment for Death Benefits and Related Expenses
Data as of 12/31/2024

	(1)	(2)	(3)
A.	PPV Wage Distribution Adjustment	1.096	PPV Analysis Exhibit CF-7.4
B.	Additional Adjustments for Motorcycle Population	1.064	MC Exhibit CF-4.2
C.	MC Wage Distribution Adjustment	1.102	(A. - 1) * B. + 1

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Actuarial Analysis - Reform Costing

Accident Benefits - Forecasted Frequency
Data as of 12/31/2024

(1) Coverage	(2) Alberta Frequency (per 1,000 Vehicles) at 1/1/2028 Cost Level	(3) See Note ICBC Claimant/Claim Factor	(4) See Note Additional Claims Factor	(5) PPV Analysis (see note for Healthcare) No-Fault Frequency Adjustment Factor	(6) PRODUCT((2) - (5)) Final Selected Claimant Frequency
Health care and Related Expenses	3.0 MC Exhibit CF-2.2	1.10	1.000	1.00	3.3
Income Replacement & Other Monetary Benefits	1.2 MC Exhibit CF-2.3	1.10		1.75	2.3
Death Benefits and Related Expenses	0.3 MC Exhibit CF-2.4	1.00		1.00	0.3
Permanent Impairment	2.1 MC Exhibit CF-3	1.00			2.1
Uninsured Automobile	0.0096 MC Exhibit CF-2.5	1.06			0.0102

Notes:
(3)

Below is a table from the 2023 Alberta Traffic Collision Statistics Report. We use the ratio of the number of casualties to the number of motorcycles involved to select the claimant/claim ratio for Death Benefits and Related Expenses and Permanent Impairment. We use the ratio of the number of major injuries to the number of motorcycles involved to select the claimant/claim ratio for Health care and Related Expenses and Income Replacement & Other Monetary Benefits.

(4), (5)

These factors were 1.05 and 0.90 for PPV. We select 1.00 as we assume that motorcycle incidents will involve injury and insureds will seek treatment (pre- and post-reform) without regards to the potential bodily injury claim.

Number of Motorcycles	2023	2022	2021	2020	
Fatal	30	34	35	30	
Major Injury	198	227	190	227	
Casualties	2023	2022	2021	2020	Ratio
Number Killed	30	33	31	31	0.97
Number of Major Injuries	221	244	218	244	1.10

Province of Alberta
Motorcycles
Actuarial Analysis - Reform Costing

Accident Benefits - Forecasted Severity
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	PPV Analysis	See Note	PPV Analysis	MC Exhibit CF-4.2	PPV Analysis	PPV Analysis	PPV Analysis	PPV Analysis	MC Exhibit CF-4.3	PPV Analysis	MPI 2026 GRA Figure RI-13	PRODUCT((2) - (12))
Accident Year	Severity at 1/1/2028 Cost Level	All-Vehicle Class to MC Adjustment	Second Payer Adjustment	Wage Distribution & Benefit Limit Adjustment	Average Time to Return to Work Adjustment	Healthcare Cost Adjustment	Wait-Time Adjustment Factor	Vehicle Distribution Adjustment	Wage Distribution Adjustment	PIPP Enhancement Adjustment	Unallocated Loss Adjustment Expense	Final Selected Claimant Severity
Health care and Related Expenses	9,543	3.000				1.200	1.000	1.050		1.073	1.130	43,735
Income Replacement & Other Monetary Benefits	76,701	1.500	0.825	1.175	1.325					1.016	1.130	169,612
Death Benefits and Related Expenses	70,873	1.000							1.102		1.130	88,247
Permanent Impairment	29,183	3.000						1.050			1.130	103,878

Notes

- (3) MPI severity reflects all vehicle classes.
MPI provided information to support the calculation of incurred severity by vehicle class in response to TC (MPI) 1-1 Round 1 Information Request
MPI provided claim counts (Appendix 1) and incurred loss (Appendix 3), which we used to develop the following severity relativities:

Loss Year	Motorcycle			All Vehicle Classes			Indicated Relativity			
	ABO (I)	ABO (NI)	AB WI	ABO (I)	ABO (NI)	AB WI	ABO (I)	ABO (NI)	AB WI	
2018	10,709	19,365	68,505	4,143	18,173	34,410	2.585	1.066	1.991	
2019	18,723	18,047	59,000	4,234	17,362	37,024	4.423	1.039	1.594	
2020	24,607	20,037	58,760	7,727	18,689	44,214	3.185	1.072	1.329	
2021	9,550	20,695	21,373	4,237	15,719	15,012	2.254	1.317	1.424	
2022	7,118	22,415	15,270	3,054	15,796	9,242	2.331	1.419	1.652	
Five-Year Weighted Average	14,093	20,164	44,741	4,510	17,008	28,186	3.125	1.186	1.587	
Ratio of MC to All Class Loss Cost		2.239	4.518	2.907	A / B.5		Selected	3.000	1.000	1.500

- (12) Calculated as
- | | | | |
|--|--------|-----------|----------------------|
| Fixed Claims Expense Per Unit (Proportional), MC | 40.10 | A | MPI 2026 GRA, RI 2.2 |
| Variable Claims Expense Per Unit (Proportional), MC | 86.06 | B | MPI 2026 GRA, RI 2.2 |
| Claims Cost per Unit (Discounted to End of the RY), MC | 662.02 | C | MPI 2026 GRA, RI 2.2 |
| ULAE Factor | 1.130 | 1 + B / C | |
- We do not include the Fixed Claims Expense per unit as this amount consists of the Manitoba Health Levy and towing contract fees. We account for the Alberta Health Levy separately.

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Accident Benefits - Selected Loss Cost
Data as of 12/31/2024

(1)	(2) MC Exhibit CF-5.1	(3) MC Exhibit CF-5.2	(4) (2) * (3) / 1000
A. Health care and Related Expenses			
Accident Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	3.3	43,735	144.61
B. Income Replacement & Other Monetary Benefits			
Accident Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	2.3	169,612	393.09
C. Death Benefits and Related Expenses			
Accident Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.3	88,247	26.69
D. Permanent Impairment			
Accident Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	2.1	103,878	219.91
E. Uninsured Automobile			
Accident Year	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Care-First 2027	0.0	97,507	1.00
F. Total Accident Benefits			
	Selected Alberta Claimant Frequency (per 1000 Vehicles) at 1/1/2028 Cost Level	Selected Claimant Severity at 1/1/2028 Cost Level	Loss Cost per Vehicle
Alberta - Care First	8.0	97,631	785.30
Alberta - Current (Tort)	4.5	29,212	132.17

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Actuarial Analysis - Reform Costing

Forecasted Required Premium - Care-First
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			per (3)	See Note	See Note	(5) * (6)	See Note	(7) + (8)
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	Selected Loss Cost at 1/1/2028 Cost Level	Loss Cost Multiplier	Estimated Required Premium (Excluding Fixed Expense)	Allocated Fixed Expense	Estimated Required Premium
Third Party Liability	Bodily Injury			24.00	1.240	29.76	0.50	30.27
Third Party Liability	Total Property Damage			21.04	1.387	29.18	1.42	30.61
Third Party Liability	Health Levy			3.10	1.423	4.41	0.22	4.62
Third Party Liability	Total	61,992	100%	48.135	1.316	63.36	2.14	65.50
Accident Benefits	Income Replacement & Other Monetary Benefits			393.09	0.947	372.24	8.23	380.47
Accident Benefits	Health care and Related Expenses			144.61	1.099	158.90	3.03	161.93
Accident Benefits	Death Benefits and Related Expenses			26.69	1.298	34.63	0.56	35.19
Accident Benefits	Permanent Impairment			219.91	1.298	285.38	4.61	289.99
Accident Benefits	Uninsured Automobile			1.00	1.035	1.03	0.02	1.05
Accident Benefits	Accident Benefits - Total	62,064	100%	785.30	1.085	852.18	16.45	868.63
Collision	Collision	24,401	39%	93.65	1.393	130.48	6.37	136.85
Comprehensive	Comprehensive - Total	35,126	57%	53.72	1.392	74.77	3.65	78.42
All Perils	All Perils	5,904	10%	184.87	1.390	257.02	12.54	269.57
Specified Perils	Specified Perils	3,516	6%	19.21	1.393	26.75	1.31	28.06
Underinsured Motorists	Underinsured Motorist	58,549	94%	3.98	1.174	4.67	1.76	6.43
	D.5. Estimated Fixed Expense per Earned Vehicle	18	1.007	23%	6%	26		
		MC Exhibit CP-2.1						
Package	Basic Coverage			833.43	1.099	915.54	18.59	934.13
Package	Full Coverage			984.79	1.143	1,125.46	30.36	1,155.82
	(assumes insured purchases CM rather than AP/SP)							

Notes

- (5) Bodily Injury per MC Exhibit CF-1.3
Health Levy per MC Exhibit CP-2.2
Accident Benefits per MC Exhibit CF-5.3
Underinsured Motorist per MC Exhibit CF-1.2
All other coverages per MC Exhibit CP-1.1 - MC Exhibit CP-1.8
- (6) Based on the PPV analysis, calculated as the ratio of estimated required premium excluding fixed expense to selected loss cost at 1/1/2028 cost level.
- (8) We use the same allocated fixed expenses from MC Exhibit CP-3. We recognize fixed expenses would be allocated differently under Care-First. However, when considering the rate filing process for insurers, we do not intend for insurers to lose rate on fixed expenses due to a higher allocation to physical damage coverages which may not be included in the reform filing. We do reallocate the bodily injury and accident benefits fixed expenses to recognize the shift in costs between these two coverages.

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Premium Changes under Care-First
Data as of 12/31/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(8)	(8)
			per (3)	See Note	2026 SAR	Selected	See Note	See Note	MC Exhibit CP-3	MC Exhibit CF-6.1
Cost Level (Written Date) -->		10/1/2024			7/1/2027			7/1/2027	7/1/2027	7/1/2027
Coverage	Subcoverage	202402 Written Vehicles	Percent of Vehicles with Coverage	202402 Avg Written Premium	Loss Cost Trend Rate	Fixed Expense Trend	Percent Fixed	Projected Street Premium	Current Product Required Premium	Care-First Required Premium
Third Party Liability	Bodily Injury			85.88	8.8%	4.0%	0.040	107.78	177.96	30.27
Third Party Liability	PD/DCPD			16.25	1.6%	4.0%	0.040	17.02	30.61	30.61
Third Party Liability	Health Levy			3.02	5.0%	4.0%	0.040	3.45	4.62	4.62
Third Party Liability	Total	61,992	100%	105.15			0.040	128.26	213.19	65.50
Accident Benefits	Income Replacement & Other Monetary Benefits									380.47
Accident Benefits	Health care and Related Expenses									161.93
Accident Benefits	Death Benefits and Related Expenses									35.19
Accident Benefits	Permanent Impairment									289.99
Accident Benefits	Uninsured Automobile									1.05
Accident Benefits	Accident Benefits - Total	62,064	100%	77.69	8.7%	4.0%	0.040	97.27	186.39	868.63
Collision	Collision	24,401	39%	191.42	2.4%	4.0%	0.040	204.68	136.85	136.85
Comprehensive	Comprehensive - Total	35,126	57%	142.17	3.6%	4.0%	0.040	156.76	78.42	78.42
All Perils	All Perils	5,904	10%	300.76	3.7%	4.0%	0.040	332.47	269.57	269.57
Specified Perils	Specified Perils	3,516	6%	110.96	5.3%	4.0%	0.040	127.72	28.06	28.06
Underinsured Motorists	Underinsured Motorist	58,549	94%	28.76	4.6%	4.0%	0.040	32.53	37.72	6.43
Loss Transfer	Net Loss Transfer									(235.59)
Package	Basic Coverage			182.84				225.53	399.58	698.54
Package	Full Coverage			545.20				619.50	652.57	920.24
Package	Industry Average			400.94				464.66	560.99	831.18
	Injury Coverages			163.65				205.17	364.56	664.32
	Damage Coverages			207.09				225.32	156.17	156.17
	Other (Health Levy + UM)			30.19				34.18	40.25	10.69
	Check			0.00				0.00	0.00	0.00

Notes

- Basic Coverage Basic Coverage does not reflect take-up rates
- Full Coverage Full Coverage does not reflect take-up rates
- Industry Average Industry average does reflect take-up rates
- (5) per GISA, TPL and AB allocated to coverage using required premium estimates
- Street premium cost levels based on average written date; required premium levels based on average accident date
- (8) $(5) * (1 - (8)) * (1 + (6)) ^ (7/1/2027 - 10/1/2024)$

Province of Alberta
Miscellaneous Vehicle Classes
Actuarial Analysis - Reform Costing

Accident Benefits Credibility Weighted Loss Cost

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
AUTO11010	AUTO11011	AUTO11012	AUTO11013	AUTO11014	AUTO11015	AUTO11016	AUTO11017	AUTO11018	AUTO11019	AUTO11020	AUTO11021	AUTO11022
Claim Counts												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2020	75	45	33	8	8	32	21	4	0	2	6	58
2021	91	73	21	10	15	24	10	10	0	0	8	65
2022	52	57	26	10	22	51	18	16	0	3	4	71
2023	74	78	23	7	20	46	31	8	0	3	15	70
2024	53	75	11	14	24	79	33	12	0	3	70	86
Total	345	327	114	49	89	232	113	50	0	11	102	349
Control	345	327	114	49	89	232	113	50	0	11	102	349
Difference	0	0	0	0	0	0	0	0	0	0	0	0
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
Incurred Loss Cost	6.07	14.82	6.38	9.26	3.87	230.19	309.21	53.53	0.00	47.76	141.89	PPV
Closest Group MPI Group	PPV ORV	PPV ORV	PPV ORV	PPV Trailer	PPV ORV	PPV Public	CV Public	CV Public	CV Public	CV Public	CV Public	PPV
Closest Group Tort Incurred Loss Cost	76.93	76.93	76.93	76.93	76.93	76.93	21.97	21.97	21.97	21.97	21.97	21.97
Ratio to Group Loss Cost	7.9%	19.3%	8.3%	12.0%	5.0%	299.2%	1407.3%	243.6%	0.0%	217.4%	645.8%	
Credibility Standard	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082
Credibility	56.4%	55.0%	32.4%	21.3%	28.7%	46.3%	32.4%	21.5%	0.0%	10.0%	30.8%	
Complement of Credibility	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	250.0%	250.0%	250.0%	250.0%	250.0%	250.0%
Credibility Weighted Ratio	8.8%	15.1%	9.4%	10.4%	8.6%	272.8%	624.5%	248.6%	250.0%	246.8%	371.8%	
Closest Group Care-First Loss Cost	482.62	482.62	482.62	482.62	482.62	482.62	273.30	273.30	273.30	273.30	273.30	273.30
Credibility Weighted Loss Cost	42.52	72.85	45.60	50.35	41.40	1,316.52	1,706.82	679.52	683.25	674.37	1,016.05	
Loss Cost Multiplier*	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Indicated Accident Benefits Required Premium	51.03	87.42	54.72	60.42	49.68	1,579.82	2,048.18	815.42	819.90	809.25	1,219.26	
Allocated Accident Benefits Premium*												
Income Replacement & Other Monetary Benefits	26.25	44.98	28.15	31.09	25.56	812.84	546.63	217.63	218.82	215.98	325.40	
Health care and Related Expenses	18.26	31.28	19.58	21.62	17.77	565.27	856.79	341.11	342.98	338.52	510.04	
Death Benefits and Related Expenses	1.43	2.44	1.53	1.69	1.39	44.18	139.57	55.57	55.87	55.14	83.08	
Permanent Impairment	5.07	8.68	5.43	6.00	4.93	156.89	495.65	197.33	198.41	195.83	295.05	
Uninsured Automobile Health Levy	0.02	0.04	0.02	0.02	0.02	0.64	9.54	3.80	3.82	3.77	5.68	
	5.28	9.05	5.66	6.25	5.14	163.48	270.60	107.73	108.32	106.92	161.09	
MPI Loss Cost Relativities	Balanced Pure Premiums											
2026 GRA, Figure RI-11	ABO (I)	ABO (N)	IRI	Total	Relativity to PPV	Selected	Relativity to CV	Selected				
Public	114.03	72.22	157.10	343.35	2.477	2.500	2.509	2.500				
Trailer	0.00	0.00	0.00	0.00	0.000	0.100	0.000	0.250	Selected to align with observed ratios			
ORV	0.00	0.00	0.00	0.00	0.000	0.100	0.000	0.100	Selected to align with observed ratios			
PPV	52.22	23.14	63.23	138.59								
CV	41.95	28.48	66.42	136.85								

Notes:

- *
- '

Loss Cost Multiplier is based on PPV analysis.
 Accident Benefits required premiums are allocated to subcoverages based on the allocation implied by the closest group.
 Health levy is based on the ratio of health levy premium compared to the total accident benefits premium for the closest group. This ratio is applied to the indicated accident benefits required premium for the class to add on expected health levy costs.

Worksheet Control Difference

0

Province of Alberta
Miscellaneous Vehicle Classes
Actuarial Analysis - Reform Costing

Accident Benefits Incurred Loss and Loss Adjustment Expenses

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	AUTO1010	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101
A. Incurred Loss and Loss Adjustment Expense												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Fleet Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2020	1,097,941	249,962	278,978	62,104	123,409	243,275	234,168	6,470	0	3,507	213,671	639,319
2021	950,975	516,148	234,421	123,621	115,033	205,337	106,930	33,594	0	77	26,332	755,188
2022	1,411,710	404,157	272,156	990,596	125,562	523,813	603,241	209,951	0	34,529	15,348	916,390
2023	908,218	630,042	1,005,518	52,000	188,318	203,783	362,097	93,313	0	20,340	138,520	1,146,342
2024	482,011	695,005	156,071	370,666	591,373	687,450	420,702	138,359	0	66,195	1,234,328	1,233,967
Total	4,850,855	2,495,314	1,947,143	1,598,987	1,143,694	1,863,658	1,727,137	481,686	0	124,647	1,628,199	4,691,206
Control	4,850,855	2,495,314	1,947,143	1,598,987	1,143,694	1,863,658	1,727,137	481,686	0	124,647	1,628,199	4,691,206
Difference	0	0	0	0	0	0	0	0	0	0	0	0

(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
	AUTO1010	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101
B. Number of Earned Vehicles												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2020	159,537	35,620	60,902	34,464	51,972	1,554	865	1,212	125	535	1,761	0
2021	161,133	35,265	61,641	34,581	55,930	1,154	1,258	3,215	155	402	2,276	0
2022	160,085	34,422	61,365	34,377	59,402	1,589	973	2,668	166	463	2,295	0
2023	158,925	32,147	61,304	34,519	62,131	1,846	1,199	919	165	612	2,296	0
2024	159,216	30,945	59,785	34,784	65,829	1,952	1,290	983	150	598	2,847	0
Total	798,895	168,398	304,997	172,726	295,263	8,096	5,586	8,998	762	2,610	11,475	0
Control	798,895	168,398	304,997	172,726	295,263	8,096	5,586	8,998	762	2,610	11,475	0
Difference	0	0	0	0	0	0	0	0	0	0	0	0

(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
C. Loss Cost per Earned Vehicle												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2020	6.88	7.02	4.58	1.80	2.37	156.51	270.62	5.34	0.00	6.56	121.33	
2021	5.90	14.64	3.80	3.57	2.06	177.94	85.00	10.45	0.00	0.19	11.57	
2022	8.82	11.74	4.44	28.82	2.11	329.59	620.20	78.68	0.00	74.51	6.69	
2023	5.71	19.60	16.40	1.51	3.03	110.38	301.90	101.56	0.00	33.26	60.33	
2024	3.03	22.46	2.61	10.66	8.98	352.13	326.07	140.68	0.00	110.65	433.49	
Total	6.07	14.82	6.38	9.26	3.87	230.19	309.21	53.53	0.00	47.76	141.89	
Control	6.07	14.82	6.38	9.26	3.87	230.19	309.21	53.53	0.00	47.76	141.89	
Difference	0	0	0	0	0	0	0	0	0	0	0	

Worksheet Control Difference
0

Province of Alberta
Miscellaneous Vehicle Classes
Actuarial Analysis - Reform Costing

Accident Benefits Major Vehicle Classes Incurred Loss Cost

(1)	(2) AUTO7001	(3) AUTO7001	(4) (2) / (3)
Private Passenger Vehicles			
Accident Year	Incurred Loss and Loss Adjustment Expense	Earned Vehicles	Incurred Loss Cost per Earned Vehicle
2020	147,373,482	2,780,403	53.00
2021	181,074,566	2,807,642	64.49
2022	241,725,805	2,834,558	85.28
2023	270,981,228	2,895,587	93.58
2024	259,855,602	2,993,746	86.80
Total	1,101,010,683	14,311,937	76.93
Control	1,101,010,683	14,311,937	
Difference	0	0	
(5)	(6) AUTO7001	(7) AUTO7001	(8) (6) / (7)
Commercial Vehicles			
Accident Year	Incurred Loss and Loss Adjustment Expense	Earned Vehicles	Incurred Loss Cost per Earned Vehicle
2020	4,181,204	299,983	13.94
2021	5,200,273	294,772	17.64
2022	7,030,558	290,902	24.17
2023	8,391,165	297,561	28.20
2024	7,847,465	302,827	25.91
Total	32,650,665	1,486,045	21.97
Control	32,650,665	1,486,045	
Difference	0	0	
Worksheet Control Difference			
0			

Province of Alberta
Miscellaneous Vehicle Classes
Actuarial Analysis - Reform Costing
Bodily Injury Credibility Weighted Loss Cost

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	AUTO1010	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101
Claim Counts								School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses					
2022	792	24	0	4	5	4	10	11	0	5	5	41
2023	870	49	0	6	7	7	21	30	1	8	9	53
2024	795	36	0	6	7	33	30	36	0	6	33	66
Total	2,457	108	0	16	19	44	61	77	1	19	47	159
Control Difference	2,457 (0)	108 0	0 0	16 0	19 0	44 0	61 0	77 0	1 0	19 0	47 0	159 0
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
Incurred Loss Cost	20.97	230.28	0.00	53.89	23.39	380.92	1,310.56	1,768.89	442.95	407.91	500.74	
Closest Group MPI Group	PPV ORV	PPV ORV	PPV ORV	PPV Trailer	PPV ORV	PPV Public	CV Public	CV Public	CV Public	CV Public	CV Public	PPV
Closest Group Tort Incurred Loss Cost	272.97	272.97	272.97	272.97	272.97	272.97	208.40	208.40	208.40	208.40	208.40	
Ratio to Group Loss Cost	7.7%	84.4%	0.0%	19.7%	8.6%	139.5%	628.9%	848.8%	212.5%	195.7%	240.3%	
Credibility Standard	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	1,082	
Credibility	100.0%	31.6%	0.0%	12.3%	13.4%	20.2%	23.8%	26.7%	3.0%	13.4%	20.8%	
Complement of Credibility	50.0%	50.0%	50.0%	10.0%	50.0%	320.0%	320.0%	320.0%	320.0%	320.0%	320.0%	
Credibility Weighted Ratio	7.7%	60.9%	50.0%	11.2%	44.5%	227.7%	393.6%	460.9%	316.7%	303.4%	303.4%	
Closest Group Care-First Loss Cost	42.00	42.00	42.00	42.00	42.00	42.00	25.00	25.00	25.00	25.00	25.00	
Credibility Weighted Loss Cost	3.23	25.56	21.00	4.70	18.67	95.62	98.39	115.24	79.18	75.85	75.85	
Loss Cost Multiplier*	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	
Indicated Bodily Injury Required Premium	4.36	34.51	28.35	6.35	25.21	129.09	132.83	155.57	106.90	102.39	102.40	
MPI Loss Cost Relativities	Balanced Pure Premiums											
2026 GRA, Figure RI-11	Bodily Injury	Relativity to PPV	Selected	Relativity to CV	Selected							
Public	16.58	2.351	2.500	3.208	3.200							
Trailer	0.00	0.000	0.100	0.000	0.250							
ORV	3.32	0.471	0.500	0.643	0.650							
PPV	7.05											
CV	5.17											

Notes:
* Loss Cost Multiplier is based on PPV analysis.

Worksheet Control Difference
(0)

Province of Alberta
Miscellaneous Vehicle Classes
Actuarial Analysis - Reform Costing

Bodily Injury Incurred Loss and Loss Adjustment Expenses

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	AUTO1010	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101
A. Incurred Loss and Loss Adjustment Expense												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2022	941,596	5,092,955	0	1,243,369	426,593	66,371	473,454	1,277,209	0	217,688	370,159	6,589,812
2023	4,081,477	12,607,001	0	2,098,540	2,980,220	364,910	2,492,295	4,897,459	213,235	162,612	865,978	4,899,339
2024	5,001,231	4,751,224	0	2,197,861	976,668	2,502,798	1,446,952	1,908,487	0	301,478	2,498,168	6,028,803
Total	10,024,304	22,451,180	0	5,539,770	4,383,481	2,934,079	4,412,701	8,083,156	213,235	681,779	3,734,305	17,517,954
Control	10,024,304	22,451,180	0	5,539,770	4,383,481	2,934,079	4,412,701	8,083,156	213,235	681,779	3,734,305	17,517,954
Difference	0	0	0	0	0	0	0	0	0	0	0	0

(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
	AUTO1010	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101	AUTO1101
B. Number of Earned Vehicles												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2022	160,032	34,442	61,333	34,342	59,420	2,067	971	2,669	167	461	2,300	0
2023	158,882	32,139	61,270	33,678	62,143	2,525	1,167	918	166	612	2,311	0
2024	159,210	30,915	59,783	34,773	65,847	3,110	1,229	982	149	598	2,847	0
Total	478,124	97,496	182,386	102,794	187,410	7,703	3,367	4,570	481	1,671	7,458	0
Control	478,124	97,496	182,386	102,794	187,410	7,703	3,367	4,570	481	1,671	7,458	0
Difference	0	0	0	0	0	0	0	0	0	0	0	0

(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
A. / B.												
C. Loss Cost per Earned Vehicle												
Accident Year	All-Terrain Vehicles	PPV Farmers	Snow Vehicles	Motorhomes	Antique and Classic Cars	Taxis - Individually Rated	Public Buses	School, Hotel, Summer Camp, Resort, and Golf & Country Club Buses	Funeral Carriages and Hearses	Ambulances	Miscellaneous Public Automobiles	Garages, Automobile Dealers And Manufacturers
2022	5.88	147.87	0.00	36.21	7.18	32.11	487.64	478.51	0.00	472.43	160.92	
2023	25.69	392.26	0.00	62.31	47.96	144.49	2,136.17	5,333.27	1,287.35	265.50	374.80	
2024	31.41	153.69	0.00	63.21	14.83	804.67	1,176.95	1,943.08	0.00	504.03	877.58	
Total	20.97	230.28	0.00	53.89	23.39	380.92	1,310.56	1,768.89	442.95	407.91	500.74	
Control	20.97	230.28	0.00	53.89	23.39	380.92	1,310.56	1,768.89	442.95	407.91	500.74	
Difference	0	0	0	0	0	0	0	0	0	0	0	

Worksheet Control Difference
0

Province of Alberta
Miscellaneous Vehicle Classes
Actuarial Analysis - Reform Costing

Bodily Injury Major Vehicle Classes Incurred Loss Cost

(1)	(2) AUTO7001	(3) AUTO7001	(4) (2) / (3)
Private Passenger Vehicles			
Accident Year	Incurred Loss and Loss Adjustment Expense	Earned Vehicles	Incurred Loss Cost per Earned Vehicle
2022	1,024,406,665	2,840,243	360.68
2023	821,143,104	2,907,049	282.47
2024	543,106,618	3,003,474	180.83
Total	2,388,656,387	8,750,765	272.97
Control	2,388,656,387	8,750,765	
Difference	0	0	
(5)	(6) AUTO7001	(7) AUTO7001	(8) (6) / (7)
Commercial Vehicles			
Accident Year	Incurred Loss and Loss Adjustment Expense	Earned Vehicles	Incurred Loss Cost per Earned Vehicle
2022	80,069,311	290,320	275.80
2023	67,054,449	297,255	225.58
2024	38,395,615	302,622	126.88
Total	185,519,375	890,197	208.40
Control	185,519,375	890,197	
Difference	0	0	
Worksheet Control Difference			
0			

Appendix C. Reconciliation to Prior Review

As described in Section 1.4, we previously provided an estimate of claims costs for private passenger vehicles in the context of a feasibility study of various alternative insurance products. We refer to the feasibility study and underlying modeling as the “initial” report or model, and to this report and underlying model as the “current” report or model.

In this section, we discuss the changes to the estimates between the current and prior reviews. Developing a detailed reconciliation between the initial and current estimates is impractical.

Several factors are unrelated to the modeling approach:

- The purpose of our initial report was to provide the Alberta government with costing estimates under potential alternative systems. That is, the focus of the initial report was to compare cost estimates for several *theoretical* options, which were not fully specified. In the current report, we provide a more comprehensive analysis of the costing for a fully specified option.
- We developed the estimates in the initial report using Alberta insurance industry data through December 31, **2022**, and MPI’s **2024** GRA; estimates in the current report consider data through December 31, **2024**, and MPI’s **2026** GRA. Critically, the current report includes the experience two post-pandemic years.
- The estimates in the prior report assumed an average accident date of July 1, 2024; the estimates in the current report assume an average accident date of January 1, 2028 – a difference of 3.5 years. The (future) trend rates underlying our initial model were 5% for bodily injury and 11% for accident benefits. The future trend rates underlying our current model are 8.7% for bodily injury and 7% for accident benefits.

In Sections C.1, C.2, and C.3, we discuss modeling changes related to accident benefits frequency, accident benefits severity, and bodily injury, respectively.

In Table 24, we present the final selected PPV loss costs from the initial model (trended to January 1, 2028), the current model, and the percent change for each subcoverage.

Table 24: Loss Cost Comparison

Subcoverage	Initial Model, adjusted for trend (excl. excess inflation)	Current Model	% Change
Income Replacement & Other Monetary Benefits	84.01	268.58	+220%
Health Care and Related Expenses	181.18	163.72	-10%
Death Benefits and Related Expenses	80.58	11.01	-86%
Permanent Impairment		39.12	
Uninsured Motorist	Included in Accident Benefits	0.20	N/A
Bodily Injury	18.39	42.00	+128%
Total Accident Benefits and Bodily Injury	364.16	524.62	+44%
Health Levy	53.63	39.29	-27%

Subcoverage	Initial Model, adjusted for trend (excl. excess inflation)	Current Model	% Change
PD/DCPD	235.44	250.85	+7%
Comprehensive	260.91	358.35	+37%
Collision	328.59	321.99	-2%
Underinsured Motorist	0.19	0.16	-14%

C.1. Accident Benefits Frequency

In Table 25, we present the final selected frequency from the initial model, the current model, and the percent change for each subcoverage. We discuss the differences between the initial and current reports in the sections below and provide commentary on changes in adjustments.

Table 25: Frequency Comparison

Subcoverage	Initial (2024) Model Selected Frequency	Current (2026) Model Selected Frequency	% Change
Income Replacement & Other Monetary Benefits	1.40	2.43	73%
Health care and Related Expenses	13.94	11.23	-19%
Death Benefits and Related Expenses	0.14	0.13	-12%
Permanent Impairment	1.14	1.13	-1%

Starting Frequency

Comparing the most recent industry data used in our prior and current reports, we note that the starting frequencies for each subcoverage have remained relatively consistent. We observe an 8% decrease in death benefits and a 6% decrease in health care and treatment-related expenses.

Claimant Basis Adjustment

The claim-to-claimant basis adjustment is slightly higher than the initial costing report.

Collateral Benefits Adjustment

The collateral benefits adjustment remains mostly unchanged, except for a 1% decrease in health care and related expenses.

New Adjustments

Tort-to-Care-Based System Adjustment

This is a new adjustment that we did not identify in the initial costing. Based on reviews of other jurisdictions, specifically Manitoba, British Columbia, and Saskatchewan, we incorporate expected changes in claimant

behaviour following a transition to a care-based system. This adjustment factor accounts for almost all the change in the income replacement frequency and approximately half of the reduction in the medical & rehabilitation frequency.

Excess and Uninsured Adjustment

We have included a new adjustment in the current costing model to account for accidents occurring outside the province and for payments exceeding provincial benefits. This adjustment is relatively small and immaterial to the final selected frequency; however, we include it for a more comprehensive estimate of the Care-First frequency.

C.2. Accident Benefits Severity

In Table 26, we present the final selected severity from the initial and current models, along with the percent change for each subcoverage. We discuss the differences between the initial and current reports in the sections below and provide commentary on changes in adjustments.

Table 26: Severity Comparison

Subcoverage	Initial (2024) Model Selected Severity	Current (2026) Model Selected Severity	% Change
Income Replacement & Other Monetary Benefits	41,998	110,669	164%
Health care and Related Expenses	9,108	14,578	60%
Death Benefits and Related Expenses	44,183	91,842	108%
Permanent Impairment	44,183	34,626	-22%

Starting Severity

The most significant change from the initial costing report is our splitting of the MPI Accident Benefits – Other (Non-Indexed) severity between funeral & death benefits and permanent impairment. The MPI Accident Benefits – Other (Non-Indexed) coverage includes benefits for funeral expenses, death, and permanent impairment. In our initial costing report, we did not separate funeral & death benefits from permanent impairment.

The other contributing factor in the change to starting severity is due to the more recent severity data used in the current costing model from the MPI 2026 GRA.

The changes in starting severity are the most significant contributor to overall changes in severity, accounting for nearly all of the change in funeral benefits, almost half of the changes in permanent impairment, and a third of the changes in health care and related expenses.

Second Payer Adjustment

The second payer adjustment is considered in both the initial and current model. This adjustment affects income replacement only and is the most significant contributor to the difference between the initial and

current reports. Our updated adjustment includes more recent Statistics Canada data as well as additional considerations of the coordination of payments from other sources.

While the second payer adjustment represents a significant contributor of increase from our initial estimates, we note this adjustment decreases the estimate severity, so should not be interpreted as an increase to severity but rather a smaller decrease to severity compared to the initial model within the context of the reconciliation exercise.

Wage Distribution Adjustment

In the initial costing, we applied a wage distribution adjustment to income replacement, death benefits, and permanent impairment.

- For death benefits, only a part of the severity is a function of income. We now only apply this adjustment to that portion.
- We now separately estimate the starting severity for death benefits and permanent impairment and no longer apply this adjustment to the permanent impairment severity.

Unallocated Loss Adjustment Expense

We base our ULAE factor on the MPI GRA in both reports. The new ULAE factor obtained from the MPI 2026 GRA results in a modest decrease in the estimated severity.

New Adjustments

All-Vehicle Class Adjustment

We introduced this adjustment in the current report. As described in Section 6.2, the PPV adjustment is 1.0.

Economic (Wage and Benefit Limit) Differences Adjustment

As noted above, in the initial model, the Wage Distribution Adjustment was applied separately to income replacement, funeral and death benefits, and permanent impairment. We discuss the changes in application to funeral and death benefits, and permanent impairment above. For income replacement, we introduce a revised Wage Distribution & Benefit Limit Adjustment to replace the wage distribution adjustment from the initial model. The new adjustment to income replacement is similar to the wage distribution adjustment from the initial model. The net effect is a 0.1% decrease in severity.

Return-to Work Adjustment

Our initial costing implicitly assumed that return-to-work times were similar between Manitoba and Alberta. Recognizing differences in the industry composition of the labour market, we reviewed worker's compensation data, which supported differences in return-to-work times between the two provinces.

The return-to-work adjustment accounts for roughly 20% of the changes between the severity estimate from the initial costing and the severity estimate in the current costing.

Health Care Cost Adjustment

In the current model, we include a new health care cost adjustment intended to capture the differences in health care costs and treatment fees between Manitoba and Alberta. We base this adjustment on various

sources reporting average health care spending by province, as well as the fee schedules of health insurers we reviewed.

Applying only to health care and related expenses, this adjustment accounts for a third of the increase in severity for this subcoverage.

Vehicle Distribution Adjustment

In the current model, we include a new health care cost adjustment to reflect the differences in severity due to differences in vehicle size distribution between provinces. The greater share of larger vehicles in Alberta results in a modest increase in the severity of health care and related expenses.

PIPP Enhancement Adjustment

Under Care-First, the benefit limits match the Manitoba benefit limits under the PIPP Enhancement, rather than the basic level of benefits assumed in the initial model. The consideration of the enhanced benefit results in a minor increase to income replacement and a slightly larger increase to health care and related expenses.

C.3. Bodily Injury

In our initial report, we only included bodily injury claim costs for out-of-province claims. The current model includes claim costs for other exposure categories.

Appendix D. Tort Exposure Analysis

Benefit	Tort Exposure	Oliver Wyman Commentary
Income Replacement Benefit	YES	There will be tort exposure for this benefit for income exceeding the Care-First limits. The tort exposure here would include working retirement-eligible individuals. Our accident benefits (and tort exposure) for IRB is slightly conservative as it doesn't consider that retirees are reimbursed at 70% (not 90%) and reduced for pension income.
Retirement Income Benefit	NO	We include these individuals in the earner analysis, which assumes a higher benefit level. We believe this adds conservatism to the bodily injury estimate.
Loss of Studies Benefit	NO	The loss of studies benefit is written as the greater of (i) the cost of tuition fees or (ii) the lump sum amount determined by the Minister. Therefore, we do not foresee a scenario in which the individual will not be fully indemnified and would be eligible to sue. We believe tuition + ancillary costs would be covered by the lump sum.
Caregiver Benefit	NO	There are no out-of-pocket expenses related to this benefit.
Daily Living Assistance Expenses / Personal Care Assistance	YES	There may be tort eligibility if expenses exceed the specified monthly amounts. However, we expect these situations to occur for the most severe injuries requiring round-the-clock care.
Transportation, Lodging, Other Expenses / Travel and Accommodation	NO	The benefit states that an individual will receive compensation for travel or lodging if it is deemed necessary. Therefore, if the amounts are deemed necessary, the individual will receive compensation. If the amounts are not deemed necessary, the individual will not have the support necessary to sue.
Expenses for Care of Other Person / Childcare Expenses	NO	The benefit states that an individual will receive compensation for reasonable and necessary expenses. Therefore, if the amounts are deemed necessary, the individual will receive compensation. If the amounts are not deemed necessary, the individual will not have the support necessary to sue.
Expenses Respecting Family Enterprise / Family Business Expense	YES	The Manitoba benefit is set at a maximum of \$944 per week for the first 180 days after the accident. There would be potential tort exposure if the family is required to pay more than \$944 per week for replacement help or if the help is needed for longer than 180 days.

Benefit	Tort Exposure	Oliver Wyman Commentary
Permanent Impairment Benefit	NO	The benefit is calculated as a percent of a stated maximum amount. Top-up coverage would provide additional benefit and would require an additional premium. However, we do not believe the lack of top-up coverage creates a potential tort liability.
Funeral and Interment Expenses	YES	Potential expenses exceeding Care-First benefit limits.
Grief Counselling Expenses	YES	Potential expenses exceeding Care-First benefit limits.
Death Benefit	NO	Death benefits are calculated as amounts set by the Minister. We assume that the injured driver would not be able to sue for additional costs.
Health care and related expenses	NO	Bill 47 provides coverage of reasonable and necessary expenses. Therefore, we expect this will be a Tribunal issue and not a tort issue.
Rehabilitation	NO	Bill 47 provides coverage of reasonable and necessary expenses. Therefore, we expect this will be a Tribunal issue and not a tort issue.
Other expenses	NO	Bill 47 provides coverage of reasonable and necessary expenses. Therefore, we expect this will be a Tribunal issue and not a tort issue.

Appendix E. Data Sources

We provide a summary of the sources used during our analysis.

- MPI 2023 General Rate Application
- MPI 2024 General Rate Application
- MPI 2026 General Rate Application
- ICBC 2021 Revenue Requirement Application
- ICBC 2023 Revenue Requirement Application
- GISA Exhibit AUTO7001 as of December 31, 2024
- GISA Exhibit AUTO7002 as of December 31, 2024
- GISA Exhibit AUTO7003 as of December 31, 2024
- GISA Exhibit AUTO1010 as of December 31, 2024
- GISA Exhibit AUTO1101 as of December 31, 2024
- Statistics Canada Table: 11-10-0050-01
- Statistics Canada Table: 11-10-0008-01
- Statistics Canada Table: 14-10-0017-02
- Statistics Canada Table: 11-10-0190-01
- Statistics Canada Table: 11-10-0222-01
- Statistics Canada Table: 11-10-0239-01
- Statistics Canada Table: 11-10-0240-01
- Statistics Canada Table: 14-10-0287-03
- Statistics Canada Table: 17-10-0005-01
- Statistics Canada Table: 18-10-0005-01
- Statistics Canada Table: 23-10-0308-01
- Statistics Canada Table: 37-10-0120-01
- Statistics Canada Table: 37-10-0045-01
- Statistics Canada Table: 37-10-0152-01
- Statistics Canada Table: 98-10-0080-01
- Statistics Canada Table: 98-10-0123-01
- Statistics Canada Table: 98-10-0132-01

- Workers' Compensation Board of Manitoba 2024 Annual Report
- Workers' Compensation Board of Alberta Annual Reports (2021, 2022, 2023 & 2024)
- Canadian Institute for Health Information - Wait Times for Priority Procedures Across Canada
- Transport Canada - Canadian Motor Vehicle Traffic Collision Statistics: 2023
- Alberta Licensed drivers by licence class, gender, and age as of March 31
- Alberta Traffic Collision Statistics 2021
- Alberta Traffic Collision Statistics 2023
- MPI 2022 Traffic Collision Statistics Report



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