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Bulletin to All Insurers

DCPD Filing Guidelines
Effective April 1, 2021

Purpose:

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all automobile insurers operating in Alberta the AIRB has posted filing guidelines for DCPD filings for both private passenger and other than private passenger vehicles.

Background:

Bill 41 Insurance (Enhancing Driver affordability and Care) Amendment Act introduced a number of reforms to the Insurance Act and regulations. The filing guidelines are specific to the initial implementation of Direct Compensation for Property Damage (DCPD), section 585.1 in the Insurance Act.

Process:

The *Guidelines for DCPD Filings* and *Appendix A – DCPD Filings* are effective April 1, 2021.

The AIRB will be capturing the impact this regulatory change has on consumers, and reporting to the Board on the aggregate impact per class of vehicle therefore is requiring insurer to submit filings limited to DCPD changes only.

Deductibles

The AIRB recognizes the insurers are awaiting the regulation providing direction on deductibles to update their internal systems. The Appendix A collects dislocation data on a zero-dollar deductible; therefore, a decision on deductibles does not affect the filing process.

DCPD and Grid Rating Program

The AIRB recognizes insurers will need to update their internal systems to reflect the interaction between DCPD and the Grid. The AIRB is informing all private passenger vehicle insurers of the treatment for DCPD under the Grid Rating Program, additional information about the Grid rate effective January 1, 2022 will be shared when available.

The AIRB will continue to set the Grid rate for bodily injury, property damage tort and accident benefit coverages; the rate for DCPD coverage is the rate determined by the insurers rating program.

When ceding risks to the Grid Risk Sharing Pool, insurers will cede the full Grid premium for all coverages including DCPD.

Action Required:

All insurers are required to submit a filing for each applicable category of automobile insurance by **July 1, 2021.**

Should an insurer wish to make additional changes to the rating program, they may, submit a filing under either the AIRB‘s simplified or full filing guidelines.

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

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