

Bulletin to All Insurers

Updates to Filing Guidelines

Bulletin 03-2022

June 29, 2022

Purpose

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

Background

In accordance with AIRB Policy Po4 Automobile Insurance Rating Program Approvals, the AIRB develops and updates filing guidelines to communicate the requirements and expectations for submitting a request to change or adopt a new rating program.

Process

The AIRB regularly reviews its filing guidelines to provide the most current information to insurers in preparing their filings to change or adopt a rating program.

We have rescinded the Full and Simplified Filing Guidelines and the File and Use Filing Guidelines both effective October 1, 2021 and replaced with new Consolidated Filing Guidelines effective July 1, 2022. The changes to the filing guidelines include:

General Information

1. Discretion for AIRB staff to determine applicable filing type: The AIRB has guidelines for both prior approval and file and use filings. The applicable filing type is determined based on these guidelines.

Filing Requirements

2. Combined prior approval and file and use filings into one combined guideline.

Determining the Applicable Filing Type

3. Revoked the simplified filing guideline. The available filing types are: File and Use, Non Actuarial Full; and Actuarial Full.
4. Expanded the File and Use Filings as follows:
 - a) Permit adoption of latest vehicle rate group tables without the requirement to off balance to revenue neutral.
 - b) Permit rate change up to 5% for private passenger vehicles (PPV), and motorcycles and up to 10% for other than PPV, commercial and interurban vehicles with no restriction on the number of exposures for each class of business without a residual indication provided it is 12 months from last approved rate increase or decrease.
 - c) Permit introduction or modification of discounts and surcharges.
 - d) Reduced the permitted dislocation to any one policyholder prior to capping.
 - e) Updated requirement to submit a full filing with rate indications for each coverage within three years of taking a rate increase through the file and use guideline.

5. Removed requirement for effective dates to be within six months from the last approved effective dates. File and Use max rate change is limited to 12 months from renewal business implementation date. No time limit on file and use filings without rate impact.
6. Clarified non actuarial full filings may be used to request rate in excess of file and use threshold, providing it is supported by residual indication and for the review of advanced modeling used in development of rating program or components of rating program.
7. Clarified actuarial full filings are only used for rate indication, for establishing a new rating program or when the AIRB deems required.

Principles and Expectations for Rating Programs

8. Added principles and expectations for increased clarity of stakeholders, this was previously included in Superintendent of Insurance Bulletin #2011-02.

Other Filing Notes

9. Added information on filings for mergers and acquisitions.
10. Added clarity on approval of rate change greater than indication.
11. Added information on insurer requests to withdraw a filing.

Filing Format

12. Added Section 9 Communication to policyholders.
13. Transferred file and use requirements for Appendix A, previously in File and Use Guideline.
14. Updated section 7i – Introduction of new rating variables.

Appendix D – Actuarial Support

15. Added reference to DCPD.
16. Minor wording updates throughout, no change in intent.
17. Added additional clarification for support required on other expenses (D6).

Appendix B1 and B2 Certificate of Officer and Actuary

18. Expansion of point 5 with the addition of consumer impact consideration and communications.
19. Inclusion of use of work of others for the Certificate of Actuary.
20. Minor wording edits.
21. Form is now a fillable PDF.

Appendix B 3 Rate Filing Completion – Confirmation Checklist

22. New fillable PDF checklist to assist with reducing common errors or data missing from full filings.

Technical Guidance

23. Add Pricing Actuary's Use of Work of Others section.
24. Updated COVID 19 guidance.
25. Update Lapse in Automobile Insurance Coverage to add clarity.
26. Minor wording edits in other sections like definitions to use abbreviation for PPV.

Action Required

The AIRB requires all insurers follow the latest filing guidelines when preparing their filings for submission after July 1, 2022. .

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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