

**Bulletin 04-2019**  
**June 3, 2019**

## **Bulletin to all Automobile Insurers**

### **Legalization of Recreational Use of Cannabis in Rate Filings**

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all automobile insurers operating in Alberta that adjustments to an insurer's rating program and actuarial assumptions to reflect the legalization of recreational use of cannabis are not permitted.

#### **Background:**

On October 17, 2018, the legalization of recreational use of cannabis came into effect in Alberta. The AIRB has been contacted by insurers requesting to adjust their rating programs based on the 2017 bulletin from the Highway Loss Data Institute citing their findings on the impact of legalization of cannabis on automobile insurance claim frequencies.

#### **Process:**

The AIRB will not consider adjustments to rating programs or actuarial assumptions submitted in rate filings that reflect the legalization of recreational use of cannabis.

The AIRB will continue to monitor the trends for the impacts of cannabis use once credible Canadian data is available, this will enable the AIRB to make evidence based decisions with respect to this risk.

#### **Required Action:**

Insurers submitting a rate filing must not include adjustments to their rating programs for the recreational use of cannabis.

Should you have any questions relating to this Bulletin, please contact the AIRB at (780) 427-5428 or by email [tbf.airb@gov.ab.ca](mailto:tbf.airb@gov.ab.ca).

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