

Bulletin 05-2019
July 1, 2019

Bulletin to All Stakeholders

Filing Guidelines Update

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.

Filing Guidelines and Appendix A

Following a comprehensive review of the filing guidelines and consultation with Canadian Institute of Actuaries (CIA), amendments have been made to increase the transparency of AIRB filing requirements previously not included in the filing guidelines, streamline the flow of the guidelines, and align with CIA standards of practice.

Effective July 1, 2019, amendments have been made to the filing guidelines and Appendix A:

- Expand information regarding:
 - Rating variables and conditionally approved endorsements;
 - Threshold has been amended to +5.0% for simplified filings; and
 - Dislocation Tables.
- Add requirement to provide:
 - Mandatory cover letter components;
 - Documents in a non-password protected format;
 - Documents in Excel format where applicable;
 - Unadjusted 5 year ultimate loss ratios for each year;
 - Percentage of Grid rated risks (not applicable to other than private passenger vehicles);
 - Endorsement included in indications and premiums; and
 - Direct experience should exclude reinsurance transactions and intra-company transfers for full filings.
- Remove requirement for:
 - Remove reference to “risk free rate” in the profit return;
 - Mandatory territory analysis for full filings; and
 - Submission of rate pages and rate group tables.
- Include new sections:
 - Segmentation analysis; and
 - Predictive modelling

Additional amendments for full filings can be found in Segmentation Analysis section of the guidelines.

We are also implementing a “Fleet Confirmation Form” to be utilized when insurers are writing fleet rated vehicles to confirm the nature of its underwriting activity on a bi-annual basis.

Due to the multitude of amendments to the filing guidelines, the AIRB recommends insurers review the new guidelines and Appendix A before developing a filing.

Required Action:

The AIRB requires that all insurers follow the latest filing guidelines when preparing their filings and submit the latest version of Appendix A to the AIRB for all filings submitted after July 1, 2019. 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.

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