

Bulletin to All Insurers

Updates to Filing Guidelines

Bulletin 05-2023

June 12, 2023

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.

Effective June 15, 2023 the following changes have been made:

File and Use

- 1 Reorganize the file and use chart on page 2 of the filing guidelines to make explicit an insurer can do more than one of the following changes – listed under a-f.
- 2 Update for consistent language – replacing implement with introduce.
- 3 Add option to remove criteria for discounts or surcharges under c) for consistency with other changes permitted under file and use.

Other Filing Notes

- 4 Clarify the Board's responsibility for rate change approvals, making it clear decisions based on the indication the Board finds reasonable.

Section C – Guidelines for Each Section

- 5 Add additional context on expectations of insurers with respect to communication to policyholders in section 9.
- 6 Add clarity of expectation for underwriting manuals. Only changes to underwriting guidelines related to premium and rating programs will be approved by the AIRB, other changes will be accepted for information. This captures current practice.

Full Filing

- 7 Make clear section 4b) Certificate of Actuary is only required for an actuarial full filing.
- 8 Make clear section 5 Actuarial Support is only required for an actuarial full filing.
- 9 Remove requirement for information to be provided in Excel under sections 7b) to 7d).
- 10 Move requirements previously under sections 7h) and 7i) to the appendix, consolidating information related to segmentation in one section, no change to content.

Appendix D – Actuarial Support

11 Remove requirements from section D.2a):

- ⚙️ “Provide additional diagnostic triangles for average paid, average case reserve, open claim count, closed with payment, total closed claim count.”, and
- ⚙️ “Consider various methods in selecting ultimates, such as the claim development method, the expected claims method and the Bornhuetter-Ferguson method, based on incurred and paid claims. Provide a summary sheet outlining the ultimate claim projections derived from these methods by accident year and by coverage and show how the final selection is made. Provide a comparison of ultimate losses for current and prior sections along with 10 years of calendar year paid as percentage of the previous calendar year’s selection.”

This information will be requested on an as needed basis if required for a filing.

12 Add requirements previously under sections 7h) and 7i) under full filing to the appendix, consolidating information related to segmentation in one section.

Action Required

The AIRB requires all insurers follow the latest filing guidelines when preparing their filings for submission effective immediately.

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

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