

File and Use Filing Guidelines for the Implementation of Care-First

A. GENERAL INFORMATION

Section 602 of the Insurance Act and Sections 2, 4 and 5 of the Automobile Insurance Premiums Regulation require insurers to make application and obtain approval for the establishment of a new rating program or for revisions to an existing rating program. **These Filing Guidelines are applicable only for filings to implement Care-First in insurer rating programs.**

Filing Requirements

These guidelines communicate the requirements for file & use filings and apply to all vehicle types - private passenger vehicles (PPV) and other than private passenger vehicles (Other than PPV). The guidelines referring to Other than PPV apply to commercial and interurban vehicles and miscellaneous classes¹. The Care-First filings apply only to those policies individually written on a Standard Policy Form (SPF) 1. Fleet or garage rated risks are exempt from these guidelines.

Approval Process

Filings and Rating Profiles must be submitted through the Collection and Reporting System ([CARS](#)). Insurers will compile the filing into a PDF document except as noted to be in Word or Excel and then attach the documents in CARS.

Insurers will receive an email confirming the filing has been successfully submitted from CARS. The AIRB will review the filing for completeness based on these filing guidelines and inform the insurer of any additional information required to complete the review of the filing. The AIRB's target is to notify the insurer of its decision within 30 business days after submission of the filing (all information requested has been submitted through CARS). Insurers should respond to Information Requests (IR) promptly. The target days are exclusive of office holiday closures.

- Insurers are asked to respect the priority will be given to Care-First filings. No additional filings will be reviewed until all Care-First filings have been reviewed and decisions provided.
- No other proposed changes are submitted in conjunction with Care-First filings.

Filing Review:

Users should read the complete filing guidelines for details on filing requirements. This is a high-level summary on what insurers are required to include the following in their Care-First filings:

1. The AIRB benchmark required premium will be used as the proposed average premium (Q4 in CARS) after segmentation to price bodily injury and accident benefits coverages.
2. A breakdown of the accident benefits coverage is required. Allocation of premium based on percentage of premium for the AIRB benchmark required premium is acceptable, if the insurer has not developed individual premiums by sub coverage.

¹ Other than PPV includes all-terrain vehicles, ambulances, antique vehicles, collector vehicles, farm vehicles, hotel & country club vehicles, mopeds, motorcycles, motorhomes, off-road vehicles, private buses, public buses, school buses, snow vehicles, taxis & limousines, trailers & campers, and utility trailers.

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3. The AIRB will accept minor edits to segmentation in addition to changes pertaining to the inclusion of at-fault claims or approved proxies² under accident benefits in the Care-First implementation filing. Significant changes to segmentation for accident benefits must be submitted separately and approved prior to submission of the Care-First filing and be effective January 1, 2027.
4. Policyholder communications are required for implementation of Care-First but not required to be submitted at time of filing. Policyholder communications can be provided later, refer to Section 9 for further details.
5. A copy of Top-up Endorsement showing coverage thresholds, and premium details is required to be submitted. If the insurer does not plan to offer Top-ups, this should be stated in the cover letter.
6. Details of premium changes to any other endorsements (SEF or CAE), due to implementation of Care-First must be provided for each endorsement.
7. A complete underwriting manual detailing any changes being made due to Care-First implementation must be provided with this filing.

Filing Timelines

Based on feedback from insurers on the timing of rate approval to ensure adequate time for implementation, the AIRB has planned for a Care-First filing window of May 1 – May 31, with anticipated approvals completed by June 30, 2026.

Insurers with flexibility in implementation for one or more vehicle types, other than PPV, may contact the AIRB to propose alternative filing dates. All filings should be approved no later than July 31, 2026, inclusive of the AIRB's review period of up to 30 days.

Filing Format

Subject to the guidelines set forth in Section C, the filing should contain the informational sections in the order as outlined below:

Section	Contents
1.	Cover Letter
2.	Table of Contents
3.	Summary of Information (CARS)
4.	Certifications of the Officer (CARS)
5.	Actuarial Support (Not Required)
6.	Rating Rule Changes
7.	Final Rates/Rate Level Change
8.	Dependent Categories (if applicable)
9.	Communication to Policyholders
10.	Underwriting Manual
11.	Rating Profiles (CARS)

B. DEFINITIONS

Refer to the [Technical Guidance - Changes in Rates and Rating Programs](#) document for definitions related to all filing guidelines.

² Contact the AIRB for any questions on approved proxies for at-fault claims

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C. GUIDELINES FOR EACH SECTION OF THE FILING

SECTION 1: COVER LETTER

Cover letter must include all the proposed changes including changes to endorsements and underwriting, rationale for changes and full contact details of the individual authorized to act as contact on behalf of the insurer with every filing. Ensure the named contact person can respond to questions posed by the AIRB and accept correspondence on behalf of the insurer relating to this filing. Insurers should state intention to offer top up endorsements in the cover letter.

SECTION 2: TABLE OF CONTENTS

This section contains a listing of the filing contents for Sections 3 through 10.

SECTION 3: SUMMARY OF INFORMATION (CARS)

The summary of information section (in [CARS](#)) contains key information on the nature of the proposed rate level or rating program changes. All filings should include a completed summary of information in CARS.

Dislocation Tables (Q6 in CARS)

Dislocation is an important tool to understand the impact of proposed changes to existing policyholders. **Dislocation reported in the Care-First filing will be used to communicate consumer impact at implementation.** For consistency among all insurer rate filings, the **uncapped** dislocation is to be calculated by comparing the proposed uncapped premiums to the current on-leveled uncapped premium. Insurers will count any risk currently capped by the Grid, at time of filing, as uncapped, therefore Grid capped policies should be reflected at the Grid premium rate in the uncapped exposures column, as the Grid is being repealed at the effective date of Care-First. The intention is to capture the rate change a policyholder will receive at implementation – i.e. what they are paying today versus their Care-First premium on an uncapped basis. The capped dislocation is to be calculated by comparing the proposed capped premiums to the current on-leveled uncapped premium.

SECTION 4: CERTIFICATE OF THE OFFICER

Complete the Certificate of the Officer - Appendix B1 in CARS, for each filing.

SECTION 5: ACTUARIAL SUPPORT (Not Required for Care-First Filing)

SECTION 6: RATING RULE CHANGES

Minor edits to segmentation in addition to changes pertaining to the inclusion of at-fault claims or approved proxies³ under accident benefits will be accepted in the Care-First implementation filing. Significant changes to segmentation for accident benefits or bodily injury coverages must be submitted separately and approved prior to submission of the Care-First filing and be effective January 1, 2027. Contact the AIRB to discuss proposal in advance of submitting rate filing.

SECTION 7: FINAL RATES/RATE LEVEL CHANGE

Provide exhibits illustrating current and proposed rating algorithms, base rates, discounts, surcharges, and differentials, as either current or proposed **highlighting any changes**. Provide explanatory material in support of the proposed changes.

7a) Algorithms

Include algorithms for all coverages, including discounts and surcharges.

7b) Base Rates

³ Insurers who have questions on approved proxies for at-fault claims should contact the AIRB.

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- 7c) Differentials
- 7d) Discounts and Surcharges

7e) Rate Capping

Rate capping is a voluntary tool to insurers may utilize to manage the impact of a rate change on policyholders, refer to Rate Capping in [Technical Guidance - Changes in Rates and Rating Programs](#) for further information.

Insurers are required to adjust the negative capping threshold to allow savings from the implementation of Care-First to flow to the customer, for all vehicle types where the insurer has internal capping in place. Positive capping cannot increase greater than current thresholds for PPV.

7f) Endorsements

Insurers will attach a copy of their Top-up endorsement, if offered, along with pricing for each if division or threshold offered. Insurers offering the Standard Endorsement Form (SEF) for Top-up on either or both Income Replacement Benefits and Other Monetary Benefits (Division 3) or Healthcare and Related Expenses or Death Benefits and Related Benefits (Division 2 and 5) must offer and price each of the standard thresholds for each division. Insurers may offer higher limits, and if offered, provide details of those limits and associated pricing.

Provide details on how the Top-up endorsement will be sold to policyholders including options to opt out. Insurers will provide the premium selected for each option under Division 3 or Division 2 and 5, based on the Top-up required average premium in Table 3 of the Care-First Actuarial Costing Final Report. Insurers may select a premium lower than the required average premium for the standardized thresholds. Insurers will support their premium determination for standard and higher customized thresholds.

If changes to pricing for SEF or CAEs are anticipated due to the implementation of Care-First, provide details in the Care-First implementation rate filing.

7g) Calculation of Rate Level Change and Average Rate

Use of AIRB Benchmarks

The AIRB's consulting actuary developed estimates of industry expected Care-First loss costs and premiums. The AIRB considers the average required premium as found in the Care-First Actuarial Costing Final Report (Final Report) as the Benchmarks for implementation of Care-First. For PPV, Commercial Vehicles and Motorcycles insurers should refer to Table 1 in the Final Report for required average premiums. The Care-First Filing only adjusts or establishes premiums for bodily injury, accident benefits, SEF 44 underinsured motorist and Top-up endorsement.

Insurers will use the average required premium from the Final Report as the average premium in Q4 in CARS. Insurers will allocate the health levy to Health Care and Related Expenses and explain their allocation of Loss Transfer in the accident benefit sub coverages.

While the AIRB recognizes some insurers believe their mix of business significantly differs from the industry average for private passenger vehicles, the AIRB has reviewed detailed data by insurer on rating variables such as territory, age, gender and vehicle type and while there may be a difference on one variable it may be offset by the difference on another variable. After careful consideration of the conservatism in the model used to establish the required average premiums, and enabling the option to address segmentation to improve risk-based pricing for accident benefits, as well as the expectation to deliver premium savings to Albertans, the AIRB will not accept a mix of business adjustment for 2027 Care-First Implementation. The AIRB commits to working with the Actuarial Advisory Committee and broader industry participants to determine a workable mix of business adjustment for the 2028 policy year. Insurers are reminded they may file for an average premium less than the AIRB benchmark.

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For Commercial Vehicles, given diverse vehicle types reported in this category, insurers will provide breakdown of premium by vehicle type, as part of any justification for premiums higher or lower than the average required premium based on vehicle type.

For Other than PPV insurers should refer to Table 20 for Accident Benefits and Table 21 for Bodily Injury required average premiums.

Insurers may select a lower average premium than the AIRB benchmark for any class of vehicle, however they must not exceed the benchmark for the implementation rate filing.

Describe and demonstrate how the rate level impact of changes to base rates, differentials and discounts or surcharges, in combination with any off-balance which may be applied, are used to calculate the overall rate level change on a per coverage basis. Reconcile this calculation with the Proposed Overall Rate Level Change from CARS, Question 4a.

Provide background and detailed calculations (**in Excel**) to support the current and proposed average rate calculation under CARS, Question 4b.

7h) Calculation of Final Rates

Describe and demonstrate how current base rates by coverage are transformed into proposed base rates in combination with any off-balance.

SECTION 8: DEPENDENT CATEGORIES

Provide the following for dependent categories of automobile insurance:

- i. The rate level effects of the proposed changes for each coverage,
- ii. The calculations validate the rate level effect of the proposed changes, and
- iii. A copy of the rating rule stipulating the linkage to the category of auto insurance.

SECTION 9: COMMUNICATION TO POLICYHOLDERS

The AIRB expects insurers to clearly communicate changes in their premium to policyholders at renewal. Insurers must provide copies of all communications no later than August 1, 2026, including:

1. A description of how the insurer will communicate the proposed changes, specifically addressing any impact to policyholder premiums,
2. Copies of any formal policyholder communications, such as renewal letter, broker/agent training materials etc., and.
3. Copies of scripts or materials provided to broker/agents to understand implications of declining a Top-up and determining the appropriate Top-up for each client.

We recognize the materials and communication methods (letters, emails, website, apps) will vary from insurer to insurer. Each insurer should provide sufficient materials so the AIRB understands how the changes will be communicated to each policyholder.

The quality of materials used to communicate premium changes because of the implementation of Care-First is considered in the review of each rate filing, and where inadequate or inaccurate the insurer will be required to amend. If the AIRB issues specific requirements for communicating changes on the implementation of Care-First they will be communicated through a bulletin in advance of the due date for materials. Should the Government communicate specific messaging in advance of August 1, this should be incorporated into insurer messaging.

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SECTION 10: UNDERWRITING MANUAL

It is the insurer's responsibility to ensure all underwriting guidelines are compliance with all relevant legislation. Any changes, additions, or deletions to the rating rules, denote definitions or text in the proposed rate manual by utilizing **tracked changes in a Word document**.

Final manual (**without password protection**) is required to be filed in CARS within 30 days of filing approval. The electronic copy of the complete rate manual submitted to the AIRB must be identical to any hard copies or versions distributed to anyone, including brokers, agents, or other vendors.

SECTION 11: RATING PROFILES (CARS)

Complete the rating profiles according to the risk description specified. Provide both current and proposed rating criteria for each of the rating profiles as required on an - uncapped basis. The Rating Profiles are required to be filed in CARS within 30 days of filing approval. For full requirements for rating profiles, refer to Rating Profiles in [Technical Guidance - Changes in Rates and Rating Programs](#).

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