

Notice to All Stakeholders

Annual Review of Industry Experience as of December 31, 2022 for Private Passenger Vehicles

Notice 05-2023

June 23, 2023

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this notice to advise all stakeholders the AIRB is commencing its 2023 annual review for private passenger vehicles. This review analyzes industry loss experience as of December 31, 2022 for private passenger vehicles to establish Industry Benchmarks used in the review of insurers' rate filings for basic and additional coverage effective October 1, 2023.

Background

Section 9 of the Automobile Insurance Premiums Regulation requires the AIRB to conduct an annual review. The AIRB believes it should be using the most current available data in its review of rate filings and as such also conducts a semi-annual review.

Process

Annually, the AIRB requests its consulting actuary, Oliver, Wyman Limited, to complete a first draft Review of Industry Experience (report), as of December 31 for private passenger vehicles, once the data is available.

The AIRB reviews the draft report and consults with interested stakeholders. This Notice initiates this process and provides stakeholders a timeline of important dates and ways to participate should they wish to provide input to the AIRB.

The draft report available on the AIRB website. The AIRB's consulting actuary will review all comments received, update their report based on any new information provided by stakeholders and submit a final report to the AIRB. The AIRB will review and approve the final report and issue a Bulletin to all stakeholders providing the Industry Benchmarks used in its review of insurer rate filings effective October 1.

In addition, the Consumer Representative's draft report on his findings on consumer perceptions for 2023 has been posted to the AIRB website. He welcomes stakeholder comments through written submissions.

Important Dates:

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| 1 | June 23, 2023 | Preliminary Review of Industry Experience posted to AIRB website |
| 2 | July 6, 2023 | Deadline for letter of intent to present at open meeting |
| 3 | July 27, 2023 | Deadline for written submissions |
| 4 | August 17, 2023 | Open Meeting |
| 5 | August 17, 2023 | Submissions and presentation materials posted to AIRB website |
| 6 | September 30, 2023 | AIRB's final Review of Industry Experience and Industry Benchmarks posted to website |

Participate in Annual Review

There are four ways for interested parties to participate in the Annual Review:

1 Present at the Open Meeting

All interested parties wishing to present to the AIRB during the Open Meeting must file a letter of intent by **Wednesday, July 6, 2023**. Your letter of intent should include an agenda for your presentation to the AIRB, in addition, a description of how the agenda applies to the industry experience over the past year. The purpose of a submission process is to ensure presentations are within the scope of the Annual Review and relate to industry-wide experience.

Presenters will be notified of their scheduled time to present at the Open Meeting. Each presenter must file their written submission and copy of their presentation with the AIRB by **Wednesday, July 27, 2023**. Your presentation should contain accurate information, based on current circumstances and relevant to the Alberta insurance market. The presenters' submissions and presentation materials introduced at the Open Meeting will be posted to the AIRB website Thursday, August 17, 2023 following the Open Meeting.

2 Share your Comments

As an alternative to making a presentation, stakeholders are invited to make a written submission to the AIRB on issues related to the Annual Review of Industry Benchmarks. Written submissions must be received by **Wednesday, July 27, 2023**. Submissions will be posted to the AIRB website Thursday, August 17, 2023, following the Open Meeting.

3 Contact the Consumer Representative

Stakeholders may provide comments on the Consumer Perceptions Report to the AIRB Consumer Representative, Mr. Mathew Wesolowski. During the Open Meeting, the Consumer Representative will present a report to the AIRB on the input he has received. His preliminary report was posted on the AIRB website on Friday, June 23, 2023.

4 Attend as an Observer

The Annual Review is a public process, and all interested parties may attend the Open Meeting. However:

- ⚙ All interested parties may attend the Open Meeting, but only those parties whose letter of intent to participate are approved by the AIRB will be permitted to present and speak to the AIRB.
- ⚙ Presenters are invited to ask the AIRB questions at the end of their presentation.
- ⚙ All presenters and attendees at the Open Meeting are responsible for any expenses they incur to attend the meeting.
- ⚙ The AIRB reserves the right to go into in-camera sessions if necessary to protect proprietary data during the Open Meeting.

Action Required

Stakeholders are invited to review the AIRB consulting actuary's Preliminary Review of Industry Experience posted to the AIRB's website, and those wishing to comment on the consulting actuary's report or the Consumer Representative's report should advise intent to present and send written submissions by email to airb@gov.ab.ca no later than the dates outlined above.

Given the current rate pause in effect, the AIRB will **only** hear information related to the AIRB's consulting actuary's Preliminary Review of Industry Experience, and AIRB Benchmarks. Presentations stray from these two topics will be rejected.

Public disclosure of all written submissions:

Subject to section 816 of the Insurance Act, any information (including personal or business information) submitted to the AIRB for consideration in the annual review process will be made available on our website.

Should you have any questions relating to this Notice, please contact our office at (780) 427-5428 or by email: airb@gov.ab.ca.

The AIRB appreciates all input into this important review.

Laurie Balfour, MBA, CPA, CMA
Executive Director