

**Any actual costs of engaging the services of an actuary for the purposes of carrying out the review of an application under Section 19 of the Automobile Insurance Premiums Regulation will be assessed to the insurer.**

<b>Insurance Company</b>	
<b>Group Name (if applicable)</b>	

**Part 1 – Effective Dates**

Date Filed	
Proposed Effective Date for New Business	Proposed Effective Date for Renewal Business

**\*\*Note that the proposed implementation date should not be more than 90 days following the date of approval of the application.\*\***

**Part 2 – Rate Level Changes**

Provide the indicated rate level changes (where applicable), proposed rate level changes, and premium weights using premiums adjusted to current rate level for each type of vehicle and all types of vehicles combined.

Type of Vehicle	Indicated Rate Level Change		Proposed Rate Level Change		Weights	
	TPL	AB	TPL	AB	TPL	AB
Commercial and Interurban						
Recreational						
Emergency						
Public Transportation						
Garage						

**Part 3 – Proposed Applicable Changes**

Check the proposed changes that apply to this filing:

- 1. Rate change that is uniform by territory
- 2. Rate change that is **not** uniform by territory
- 3. Change to classification, driving record, or other rate differentials
- 4. Change to rating rules
- 5. Changes to the amount of, or adding or deleting, discounts or surcharges
- 6. Rating Algorithm change
- 7. Other (specify below)

Briefly explain below the proposed changes, e.g., class, increased limits, driving record, territories, policy coverage, rules, etc

**Part 4 – Estimated Premium Effect**

Provide the estimated premium effect of this filing by coverage, and all coverage combined.

Type of Vehicle	On-Level Annual Written Premium		% Change Requested		Annual Premium Change	
	TPL	AB	TPL	AB	TPL	AB
Commercial and Interurban						
Recreational						
Emergency						
Public Transportation						
Garage						

**Part 5 – Volume of Policies Written in last 5 years**

Number of Alberta vehicles for the class under review written in each of the last five (5) years:

	# of Policies*	% Change
5th Prior Year:		
4th Prior Year:		
3rd Prior Year:		
2nd Prior Year:		
1st Prior Year:		

*\*If the number of vehicles is not available, use the number of policies.*

**Part 6 – Volume of Policies Written in last 5 years**

What is the annual loss trend percentage used in calculating the indicated rate level change for the proposed effective period?

Coverage	Past	Future
Third Party Liability	%	%
Accident Benefits	%	%

*\* Attach page if filing is for more than one class.*

**Part 7 – Past vs. Future Trend**

What date has been used to distinguish between past and future trend?

Provide the date to which the past trend is applied: \_\_\_\_\_  
 Provide the date to which the future trend is applied: \_\_\_\_\_

**Part 8 – Expense Provisions**

Provide the expense provisions, excluding any provision for profit and contingency and excluding loss adjustment expenses, used in determining the rate level indications:

	% of Premium	\$ per Vehicle
a) Variable Expenses	%	\$
b) Fixed Expenses	%	\$
c) Total Expenses (a+b)	%	\$

**Part 9 – Return on Equity and Underwriting Profit Margin**

Provide the after-tax return on equity and underwriting profit margin that underlies the target and proposed rate level changes for all coverage combined:

	Return on Equity	Underwriting Profit Margin
Target:		
Proposed:		

**Part 10 – Percentage Capped**

If the insurer is proposing to cap the increase a consumer would face at renewal, at what percentage will it be capped? How will this be accomplished (i.e., by vehicle or by policy)?

**Part 11 – Other Changes**

Have any other changes been made to base rates, differentials, discounts, surcharges or rating rules within the past year that would impact a consumer on renewal, other than the changes proposed in this filing? If so, please describe.

**Part 12 – Other Categories of Insurance Affected**

State other categories of insurance that may be affected by this proposed rate change, and the rate level change percentage. All changes must be based solely on the changes associated with the dependent category.

Dependent Category	Rate Level Change impact for each category (%)

**Part 13 – Contact Information**

*Individual to whom questions concerning this filing may be addressed:*

Last Name	First Name	Title	
Company Address			
City		Province	Postal Code
Telephone Number <i>(include area code)</i>	Fax Number <i>(include area code)</i>	E-Mail	

**Please submit your application to:**

Automobile Insurance Rate Board  
2440 Canadian Western Bank Place  
10303 Jasper Avenue  
Edmonton, Alberta, T5J 3N6

[airb@gov.ab.ca](mailto:airb@gov.ab.ca)

Fax number: 780-638-4254

**Other Filing Requirements - Non - Private Passenger Automobile**

Provide the following information in an actuarial memorandum that accompanies the filing:

1. Provide a general description of the filing; i.e., list all proposed changes to rates, rating factors and rating rules.
2. Provide the current and proposed (1) territory base rates (2) relativities for all rating factors and (3) algorithm for each coverage.

Note that the class and driving record level are designations displayed in the IBC statistical data. If your designations are different, show both designations in separate columns but maintain the IBC sequence.

3. Provide the distribution of vehicles by territory, class, and driving record.
4. Provide the insurer's most recent IBC actual loss ratio exhibits for the Province of Alberta and for each of the statistical territories. The classification experience for third party liability is desirable. Equivalent in-house experience data is acceptable as it may provide a more current account of a situation and should definitely be included where such data is considered in the actuarial analysis.
5. Provide the distribution of third party liability increased limit factors, and the distribution of vehicles by the various limits of liability.
6. Provide a history of all rate level changes during the past three years. The information should include effective dates for new and renewal business, percentage changes by coverage for each statistical territory and for the province as a whole for each filing.
7. Provide an exhibit comparing the current and proposed average written premiums under the rating program.
8. Provide an exhibit comparing the current and proposed premiums under the rating program, and the dollar and percentage differences by class and driving record for each territory.

9. Provide actuarially based rate level indications to support the proposed rate level changes by coverage. In so doing, provide the underlying data, assumptions, and derivation of each of the following components of the indications:
  - a. premiums adjusted to the current rate level;
  - b. premium trend;
  - c. losses and allocated loss adjustment expense (ALAE) developed to an ultimate basis including the loss development triangles and the selected loss development factors;
  - d. losses and ALAE adjusted to reflect prospective cost levels, including selected trend factors;
  - e. any adjustments made for large, catastrophic, or weather related losses;
  - f. any adjustments made to reflect the credibility of the experience, including the credibility standard being used and the basis for the standard;
  - g. expense provisions – Support should include five years of expense history for each expense provision including unallocated loss adjustment expense (ULAE) with an explanation if the expenses underlying the expected loss ratio vary from the company's historical expenses; recognition should be given to fixed and variable expense components;
  - h. profit & contingency provision – Support should include rationale for the target rate of return (after-tax ROE, if applicable), and an explanation (including underlying calculations, data, and assumptions) of how investment income was considered. Data used should be the most recent available to the company;
  - i. health levy – Demonstrate how the health levy is reflected in the indications; and
  - j. other factors – Include the impact of any other influencing factors such as legislative change.
10. Provide actuarial support and any other considerations for any proposed changes in rating factors or class definitions; i.e., territory relativities, class plan definitions or relativities, increased limit factors, driving record, discounts, surcharges, etc. Actuarial support should reflect your company's experience to the extent credible.
11. In providing the information in (8) and (9) above:
  - a. Explain all differences from the ratemaking procedures employed in your last rate filing in Alberta.
  - b. Clearly describe or label the type of information used; e.g., calendar year, policy year, or accident year; any capping of claim amounts; by coverage or all coverage combined; etc.
12. Provide rationale for any proposed rate level change, by coverage or overall, that differs from your indicated change.

13. Provide the derivation of the estimated overall premium effect of any proposed changes to a rating factor or definition. Explain how you have considered each of these effects in calculating the overall proposed rate level change.
14. Provide any additional information that you feel may be helpful in review of this filing. For example, if the company has undergone changes in its operations that affect its expense provision, then this information should be provided.
15. Provide a description of the risk that will receive the largest rate increase and a description of the risk that will receive the largest rate decrease as a result of the changes proposed in this filing. Include the amount of the rate change for each risk described.
16. Provide an estimate of the number and percent of exposures that will receive a rate increase in excess of 15% due to the changes proposed in this filing.
17. Provide a statement signed by an officer of the company to certify that the data and analysis submitted in the filing is accurate and reliable.
18. Provide a set of manual pages relating to premiums, rates, and rules reflecting the approved changes to the rating program following the Board's ruling on the application.
19. The Board may ask the insurer to appear before them to address concerns that might arise.

The information provided in the application form and required attachments will be used for the purpose of making a determination under the authority of Part 1, Section 19 of the Automobile Insurance Premiums Regulation. The Board may release this material to the public according to the provisions of the *Freedom of Information and Protection of Privacy Act* (FOIP). If you have any questions about the collection of this information, please call the Board at 780-427-5428.