

BULLETIN: 09-2021  
DATE: SEPTEMBER 24, 2021

**Bulletin to All Private Passenger Vehicle Insurers**  
Private Passenger Vehicle Benchmark Schedule Effective October 1, 2021

**Purpose:**

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all private passenger vehicle (PPV) insurers operating in Alberta the 2021 Annual Review of PPV experience has been completed on data to December 31, 2020. The PPV Industry Benchmarks Schedule (Schedule) effective October 1, 2021 has been approved. The Schedule and the related actuarial report have been posted on the AIRB [website](#).

**Background:**

On July 1, 2014, Section 9 of the Automobile Insurance Premiums Regulations came into effect requiring the AIRB to conduct an Annual Review of industry experience based on data to December 31. In addition, AIRB Policy P06 requires the AIRB to carry out a Semi-annual Review based on data to June 30.

The AIRB's final report 2021 Annual Review has been posted to the AIRB [website](#).

**Action Required:**

Based on the Annual Review analysis of Alberta PPV loss experience ending December 31, 2020, the AIRB approved the PPV Industry Benchmarks Schedule to take effect on October 1, 2021.

Insurers in preparation of filings should incorporate the most current industry benchmarks to the extent that their own data is not fully credible. The industry benchmarks will be used as the basis of the AIRB's review of PPV filings submitted on or after October 1, 2021.

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

Laurie Balfour, MBA, CPA, CMA  
Executive Director

## 2021 Annual Review Industry Benchmarks Schedule – PPV

*Effective Date: For basic and/or additional coverage filings submitted on or after October 1, 2021*

### Loss Development Factors

The AIRB approved benchmark loss development factors for use by insurers in developing filings are outlined in Appendix #1.

### Loss Trends

The AIRB approved benchmark trend rates for use by insurers in developing filings:

Coverage	Oliver Wyman Selected Past/Future Trend Rates
TPL - Bodily Injury	+7.0%/+5.0% <sup>1</sup>
TPL - Property Damage	+1.5%
Accident Benefits	+1.0%/11.5% <sup>2</sup>
Collision	+2.5%
Comprehensive	+5.0%/+3.5% <sup>1</sup>
All Perils	+2.5%
Specified Perils	+4.0%
Underinsured Motorist	+4.0%

<sup>1</sup> Future trend rate begins October 1, 2020

<sup>2</sup> Future trend rate begins January 1, 2015

The AIRB acknowledges insurers may select different trend rates based on their own claim experience.

### Other Benchmarks

Other Benchmark	Selected Benchmark
Catastrophe	58.00%
Health Cost Recovery	2.94%
Operating Expenses	26.00%
Profit Provision	7.00%

AIRB Approved Age-to-Ultimate Development Factors  
As of December 31, 2020  
Alberta  
Private Passenger Automobile (Excluding Farmers)

As of 2020-2  
Age-to-Ultimate Factors  
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Comprehensive Theft	All Perils	Specified Perils	Underinsured
180-Ult	1.001	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	1.001	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000
168-Ult	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
162-Ult	1.002	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
156-Ult	1.003	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.005
150-Ult	1.003	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.015
144-Ult	1.005	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.018
138-Ult	1.006	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.013
132-Ult	1.006	1.000	1.004	1.000	1.000	1.000	1.000	1.000	1.008
126-Ult	1.007	1.000	1.004	1.000	1.000	1.000	1.000	1.000	1.005
120-Ult	1.007	1.000	1.007	1.000	1.000	1.000	1.000	1.000	0.992
114-Ult	1.007	1.000	1.007	1.000	1.000	1.000	1.000	1.000	0.985
108-Ult	1.010	1.000	1.006	1.000	1.000	1.000	1.000	1.000	0.992
102-Ult	1.013	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.010
96-Ult	1.016	1.000	1.008	1.000	1.000	1.000	1.000	1.000	0.994
90-Ult	1.019	1.000	1.008	1.000	1.000	1.000	1.000	1.001	0.997
84-Ult	1.023	1.000	1.008	1.000	1.000	1.000	1.000	1.001	0.985
78-Ult	1.026	1.000	1.008	1.000	1.000	1.000	1.000	1.002	0.990
72-Ult	1.032	1.000	1.008	1.000	1.000	1.000	0.999	1.002	0.986
66-Ult	1.042	1.000	1.008	1.000	1.000	1.000	1.001	1.002	0.993
60-Ult	1.057	1.000	1.012	1.000	1.000	1.000	1.001	1.002	1.013
54-Ult	1.081	1.000	1.014	0.999	1.000	0.999	1.002	1.002	1.054
48-Ult	1.111	1.000	1.020	1.000	1.000	0.999	1.000	1.002	1.057
42-Ult	1.162	0.999	1.022	1.000	1.000	0.999	1.001	1.002	1.086
36-Ult	1.252	1.000	1.028	0.999	1.000	0.999	0.999	1.001	1.190
30-Ult	1.385	1.000	1.030	0.998	0.999	0.998	1.000	1.001	1.410
24-Ult	1.599	1.004	1.010	0.988	1.001	0.998	0.992	0.997	1.800
18-Ult	1.844	1.022	1.062	0.961	1.002	0.995	0.970	0.994	2.171
12-Ult	2.133	1.056	1.093	0.890	0.998	0.982	0.912	0.977	2.877
6-Ult	2.952	1.317	1.062	0.653	1.013	0.947	0.848	0.906	7.610

AIRB Approved Age-to-Ultimate Development Factors  
As of December 31, 2020  
Alberta  
Private Passenger Automobile (Excluding Farmers)

As of 2020-2  
Age-to-Ultimate Factors  
Incurred Claim Count

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Comprehensive Theft	All Perils	Specified Perils	Underinsured
180-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.990
144-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.987
138-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.981
132-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.981
126-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.945
120-Ult	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.937
114-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.894
108-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.860
102-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.836
96-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.803
90-Ult	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.776
84-Ult	0.998	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.730
78-Ult	0.998	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.685
72-Ult	0.997	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.630
66-Ult	0.996	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.593
60-Ult	0.995	1.000	1.000	1.000	1.000	0.999	1.000	1.000	0.544
54-Ult	0.993	1.000	1.000	0.999	1.000	0.999	1.000	1.000	0.512
48-Ult	0.991	1.000	1.000	0.999	1.000	1.000	1.000	1.000	0.482
42-Ult	0.988	1.000	1.000	0.999	1.000	1.000	1.000	1.000	0.458
36-Ult	0.992	1.000	1.000	0.999	1.000	1.000	1.000	1.001	0.465
30-Ult	0.994	0.999	1.000	0.999	1.000	1.000	1.000	1.001	0.521
24-Ult	1.026	0.998	1.000	0.995	1.002	1.000	1.000	1.000	0.722
18-Ult	1.059	1.007	1.000	0.980	1.006	1.000	0.999	1.002	0.844
12-Ult	1.063	1.020	0.997	0.921	1.015	0.999	0.980	1.001	1.026
6-Ult	1.247	1.185	0.980	0.723	1.047	1.005	0.933	1.033	1.417