

Bulletin 3-05

August 3, 2005

To: Private Passenger Automobile Insurers

Subject: Grid Premiums Effective November 1, 2005

On July 27, 2005, the Board issued Order No. 01-05 for the industry-wide uniform adjustment for basic coverage on private passenger vehicles under Section 4. The Board issued Order No. 02-05 on August 2, 2005 making the required adjustments to territorial differentials under the Grid program in accordance with Schedule 3, Sections 2(2) and (3) and the application of the industry-wide adjustment to the Grid program in accordance with Section 2(4) of the *Automobile Insurance Premiums Regulation*.

Schedule 3, section 2(2) of the Regulation requires that the Board as of November 1, 2005 reduce the differential in the grid base premiums between Edmonton and Calgary by 40%. Under Section 2(3), the Board must also ensure that the grid base premiums for the rest of Alberta remain 20% less than Calgary. Section 2(4) requires that any industry-wide adjustment under Section 4 also apply to the Grid program.

Order 02-05 issued the following table of premiums for the Grid rating program in satisfaction of the requirements under the Regulation. This table of premiums replaces the table in Schedule 3, Section 2(1) of the Regulation. All insurers must implement these premiums effective November 1, 2005.

New Grid Base Premiums as of November 1, 2005:

Policyholder's choice of coverage	Territory		
	Edmonton territory	Calgary territory	Rest of Alberta territory
\$200,000	\$1616	\$1528	\$1222
\$250,000	\$1668	\$1577	\$1262
\$300,000	\$1704	\$1611	\$1289
\$400,000	\$1762	\$1665	\$1332
\$500,000	\$1806	\$1707	\$1366
\$750,000	\$1845	\$1744	\$1395
\$1 million	\$1901	\$1797	\$1438
\$2 million	\$2072	\$1959	\$1567

Insurers must send an acknowledgement to this office by September 30, 2005, verifying that they have made provisions to comply with Order No. 02-05. The order can be viewed on our website at www.airb.gov.ab.ca.

(Original Signed)

Peter Thomas
Executive Director and Secretary to the Board