

Notice 02-05: Annual Review of Automobile Insurance Premiums for Basic Coverage

The Automobile Insurance Rate Board (AIRB) is commencing its first annual review of automobile insurance premiums by calling for all interested parties to file a letter of intent to participate in the process by May 12, 2005. This consultation process will conclude with public meetings:

- In Edmonton at the Sutton Place Hotel, 10235 – 101 Street on June 27th and June 28th from 9am to 5pm; and
- In Calgary at the Best Western Port O'Call Hotel, 1935 McKnight Blvd. NE, on June 29th and June 30th from 9am to 5pm.

Purpose of the Annual Review:

The annual review will collect input on whether the premium level for basic automobile insurance coverage needs to be adjusted given the performance of the industry over the past year¹. According to legislation, the Board must consider:

- (a) Industry wide loss costs
- (b) Administrative expenses, which may include:
 - i. Commissions
 - ii. Federal, provincial, and municipal taxes
 - iii. General expenses
- (c) Other industry wide costs relevant to the costing of premiums for basic coverage for private passenger vehicles.

The review **will not** address:

- optional or commercial coverage;
- complaints against insurance companies or the insurance industry;
- complaints or comments on the \$4,000 cap or the diagnostic and treatment protocols.

The Process:

1) Submit a Letter of Intent

All interested parties must file a letter of intent to participate **by May 12, 2005**. Your letter of intent should include:

- A list of the issues that you wish to present to the Board, including a description of how these issues apply to the criteria that must be considered by the Board and industry's experience for the past year; and contain information that is accurate, based on current circumstances and related to the Alberta insurance market.
- You must also indicate whether you would like to simply file a written submission or make a presentation to the Board. If you would prefer to make a presentation you should indicate your choice of location.

¹ Basic coverage is the liability and accident benefits portion of your automobile insurance policy.

Only letters of intent related to the Annual Review criteria will be considered. **Letters of intent will not be considered if they relate to:**

- Complaints against an insurance company or the insurance industry;
- Optional auto coverage such as collision or comprehensive, or commercial coverage;
- The \$4,000 cap on minor injuries, or, the diagnostic and treatment protocols.

The deadline for filing a letter of intent is May 12, 2005. Any letters of intent received after May 12, 2005 will not be accepted.

2) Presentation at the Public Meetings:

The Board will review all letters of intent and establish a list of presenters. All presenters will be notified and must file their presentation with the Board **by June 21, 2005**. Any presentations received after June 21, 2005 will not be accepted and that party forfeits their presentation slot.

3) Written Submissions

The Board will also establish a list of parties who will be invited to file a written submission. Written submissions will be tabled as input at the public meetings and are due to the Board **by June 21, 2005**. Any written submissions received after June 21, 2005 will not be accepted.

4) Input to the Consumer Representative:

The Board may also direct parties to provide their input to the Consumer Representative, Mrs. Merle Taylor, who has been appointed by the Board to collect the input of consumers. During the public meetings, the Ms. Taylor will present a report to the Board on all the input that she receives.

5) Attendance at Public Meetings:

The annual review will be a public process and all interested parties may attend the public meetings. However:

- only those parties giving a presentation will have an opportunity to speak to the Board;
- members of the public or other presenters will not be allowed to cross-examine presenters;
- only members of the Board can ask questions of the presenter during the public hearings; and
- all presenters and attendees at public meetings will be responsible for any expenses they incur in order to attend a public meeting process.

Important Dates:

1. May 12, 2005 Deadline for Letter of Intent
2. June 1, 2005 Board Actuary Report released
3. June 21, 2005 Presentations due to the Board
Deadline for written submissions
4. June 27, June 28 Edmonton Public Meetings
 - Sutton Place – 10235 -101 Street, Edmonton
5. June 29, June 30 Calgary Public Meetings
 - Best Western Port O'Call – 1935 McKnight Blvd N.E. Calgary
6. August 1, 2005 Board Decision Rendered

Public disclosure of all presentation and written submissions:

Subject to section 816 of the *Insurance Act*, any information (including personal or business information) that is submitted to the Board for consideration in the rate setting process will be considered made in the context of a public meeting, whether made as a written submission or an oral presentation, and will be made available to the public upon request to the Board.

Letters should be sent:

Automobile Insurance Rate Board
200, Terrace Building
9515 – 107 Street
Edmonton, AB T5K 2C3
Fax: (780) 644-7771
Email: AIRB@gov.ab.ca

To contact the Consumer Representative:

Ms. Merle Taylor
c/o Automobile Insurance Rate Board
200, Terrace Building
9515 – 107 Street
Edmonton, AB T5K 2C3
Phone: (780) 427-5428, or toll free: 310-0000
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