

**Automobile Statistical Plan – Alberta Grid
Frequently Asked Questions
May 13, 2005**

1. Does the Grid Level have to be reported if the Grid Indicator = N?

Yes. The Grid Level must be reported on all Private Passenger transactions, regardless of the Grid Indicator. (Please also see questions 2 and 7.)

2. What is the connection between the Grid Indicator and the Grid Level?

The Grid Indicator flags whether or not the Third Party Liability and Accident Benefits premium for the vehicle has been capped by the Grid. The Grid Level shows the rung on the Grid calculated for the assigned Relevant Driver* of the vehicle, or, in the case of Type-of-Use Classes 05 and 06, for the assigned Occasional Driver, and is required whether or not the premium is in fact capped by the Grid.

3. If the Grid Indicator = Y, can the Grid Level be negative?

Yes. Suppose a Relevant Driver under the age of 25 who is the Principal Operator has his/her premiums capped by the Grid (i.e., Grid Indicator = Y). The Grid Level for this driver would be negative if (a) he/she has had no prior accidents and has at least one year of driving experience or (b) he/she has had one recent accident and has six or more years of driving experience.

4. If a Principal Operator's Grid Level = -15, but his wife is an Occasional Driver on the vehicle and her Grid Level = -06, what Grid Level do we report?

The answer to this depends on who is the Relevant Driver of the vehicle and whether or not the Occasional Driver is the Occasional Driver of the vehicle for whom a separate Type-of-Use Class 05 premium record is reported. If the husband is the Relevant Driver, then the premium record for the vehicle should report Grid level -15. If the wife is the Relevant Driver of the vehicle, then the premium record for the vehicle should report Grid Level -06. If the wife is the Occasional Driver of the vehicle and a separate Type-of-Use Class 05 premium record is reported, then this latter record should report Grid Level -06.

5. There are two Occasional Drivers on the vehicle and their Grid Levels are lower than those of both mother and father. Do I report the Grid Level of the Occasional Driver on the transaction for the vehicle?

If for at least one of the Occasional Drivers the company is reporting an additional premium under Type-of-Use Class 05 or 06, then a separate transaction must be reported for "Occasional Driver for whom additional premium is charged," and on all of these transactions the Grid Level of the one assigned must be reported.

6. Do we report convictions in a manner similar to the Grid Level?

Yes. The convictions reported for the vehicle will be those of the assigned Relevant Driver only. The convictions reported on an additional Type-of-Use Class 05 or 06 premium record will be those of the assigned driver only.

7. **If the vehicle has only Comprehensive coverage, there is no need to calculate the Grid Level (due to the absence of Liability coverage). Consequently, there is no Grid Level available. How can we report the mandatory Grid Level?**

Because the Grid Level is determined from Operator level information, which is available on the application form, we expect that companies would process this information to determine the Grid Level, and would then report it to IBC.

Although currently the Grid Level is a component of premium calculation for only those coverages under the Grid (i.e., TPL and Accidents Benefits), we have decided to collect this information for all types of coverage in order to analyze industry experience by Operator Grid Level.

*** Definition of Relevant Driver:** The Relevant Driver is the driver assigned to the vehicle for the purpose of Grid premium calculation.