

The Canadian Merit Rating Plan for Individual Automobile Risks, by
HERBERT E. WITTICK.

The paper gives an outline of the Canadian merit rating plan for individual automobile risks.

The practice of merit rating individual automobile risks is now in its ninth year of successful operation in Canada. It has been universally applied and uniformly coded so we have excellent statistics. When the program was started in 1953 it was applied only to Third Party Liability on Class 1 private passenger risks. Since then it has been gradually extended and now applies to all classes of private passenger and commercial automobiles. There are four merit rating classes. The basic of B rate is for a new risk or a risk which has had a loss within the past twelve months. There are then discounts of 35% for an A risk, that is with three or more years claim free licensed operation, 20% for X risks with two years claim free operation and 10% for Y risks with one year claim free operation.

In the article statistics are given showing frequency of loss for the various classes of private passenger and commercial risks. On Class 1, that is private passenger risks with no male operator under age 25, the relative frequencies are as follows:

| | <i>Third Party Liability</i> | <i>Collision</i> |
|---------|----------------------------------|------------------|
| B risks | 100% | 100% |
| Y risks | 84% | 76% |
| X risks | 74% | 67% |
| A risks | 56% | 59% |

Actual claim frequencies on a Canada-wide basis are not exactly those now being used for rating but the matter is being studied and no doubt a change will be made in the not too distant future. The relative frequency of claims on commercial risks and on other classes of private passenger risks varies somewhat from those of Class 1. However the general pattern is the same.

L. H. LONGLEY-COOK

Accidents to Young Motor Cyclists—A Statistical Investigation by
CHRISTOPHER SCOTT and STUART JACKSON.

In the United Kingdom the minimum age at which licences may be obtained to ride motor cycles is 16 years and a recommendation of the Report on the Minimum Age for Motor Cyclists issued by the Committee on Road Safety of the Ministry of Transport and Civil Aviation was to the effect that "an attempt should be made to obtain further data by undertaking special surveys of age distribution and riding experience".

Insurers have long had a practice of charging an additional premium for novice drivers and the terms for insuring young motor cyclists are considerably more stringent than for older drivers, but appropriate statistical information on the real underlying situation has been lacking, partly because of the inherent difficulties of the compilation of suitable data and partly because insurance company experience is not suitable as it relates to the experience under insurance policies which will differ from the pure underlying risk situation.