



# 2026 - 2029 STRATEGIC PLAN

**AIRB** AUTOMOBILE  
INSURANCE  
RATE BOARD



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# Mandate & Legislative Context

The Automobile Insurance Rate Board (AIRB) was established in 2004 as an independent regulatory agency by the President of Treasury Board and Minister of Finance in accordance with section 599 of the Insurance Act. The AIRB was established to regulate auto insurance premiums, and our mandate was expanded in 2007 to include provision of public education and information related to auto insurance.

Through the Insurance Act, regulations, and our Mandate and Roles document, the AIRB has several responsibilities which can be grouped into three broad themes, each supported by AIRB resources.

## Rate Regulation

- ▶▶ Issuing guidance and requirements governing the approval of rating programs<sup>1</sup> for all coverages and vehicle types.
- ▶▶ Reviewing and approving changes to auto insurance rating programs.
- ▶▶ Publishing all filing decisions at insurer implementation date for transparency.
- ▶▶ Reviewing insurer profitability for each accident year to confirm no excess profits, as established annually in AIRB benchmarks.

## Data Analytics & Reporting

- ▶▶ Conducting a semi-annual review of auto insurance claims and premiums to develop industry benchmarks used as comparison in the review of changes to rating programs, and to inform the AIRB about the rate adequacy of the market.
- ▶▶ Collecting, analyzing, and reporting data on industry trends including economic analysis, premium, claim, and emerging trends to inform Board Members, government officials, and other interested parties.
- ▶▶ Evaluating affordability, accessibility, and service quality through monitoring relevant indicators influenced by competition, consumer knowledge, and industry trends.
- ▶▶ Developing dashboards and other communication tools to share relevant data and trends for use in rate regulation and consumer education.

## Consumer Education & Engagement

- ▶▶ Providing education and information related to auto insurance through the AIRB website, social media, presentations, and direct contact with Alberta drivers.
- ▶▶ Conducting a Consumer Perception survey to report on consumer sentiments and evaluate trends over time.
- ▶▶ Responding to consumer inquiries to assist in understanding coverage options, rate calculations, and market trends impacting their auto insurance premiums.
- ▶▶ Promoting resources and information available through consumer education campaigns.

<sup>1</sup> rating program means (i) the rules, criteria, policies, guidelines, algorithms and rating variables used by an insurer to determine premiums for basic coverage or additional coverage, and (ii) the underwriting rules which govern the decision by an insurer to accept or decline a risk, coverage or endorsement.

# Mission, Vision & Values

The AIRB has reviewed its foundational statements – mission, vision, and values, in preparation for this strategic plan. The mission reflects our view on why the AIRB exists. The vision is our desired future state for the auto insurance marketplace. Our values are the principles guiding how we conduct ourselves in our day-to-day activities.



## MISSION

Foster public confidence by independently regulating the industry and informing consumers.



## VALUES

### Accountability

- ▶▶ Facilitate fair and inclusive processes, encouraging engagement and input.
- ▶▶ Deliver efficient rate regulation, complying with all relevant legislation and policies, considering the needs of all parties.

### Excellence

- ▶▶ Instill a culture of continuous improvement.
- ▶▶ Strive to achieve the highest standards of conduct by supporting professional development for our staff and Board Members.

### Integrity

- ▶▶ Make objective, data informed decisions.
- ▶▶ Treat everyone with dignity and respect.

### Transparency

- ▶▶ Promote openness in decision making, data usage, and engagement.
- ▶▶ Build credibility and trust with the public and industry.



## VISION

Auto insurance is accessible, equitable, and sustainable for all Albertans.

In developing this strategic plan, careful consideration was given to foundational statements which guide our work. While our mandate and vision remain unchanged, the Board of Directors has updated the mission statement to reflect the current environment and what we are here to achieve. We added an additional core value to communicate our commitment to transparency.

Our new mission statement focuses on fostering public confidence. As the provinces' rate regulator, we view this as critical because it underpins the legitimacy and effectiveness of the regulatory system.

## Why Does Fostering Public Confidence Matter?

- 1. Legitimacy & Trust:** When the public trusts the regulator, they believe decisions are fair, impartial, and in the public interest. This trust reduces skepticism and resistance to regulatory actions.
- 2. Market Stability:** Confidence in regulation fosters stability in markets, as policyholders feel protected and assured of predictable oversight.
- 3. Reputation & Credibility:** A regulator seen as transparent and accountable enhances its credibility with government, industry, and consumers.
- 4. Consumer Protection:** A regulator's role is to safeguard consumers. If confidence is low, people may feel vulnerable or seek alternatives outside of regulated systems, which can increase risk.
- 5. Policy Support:** Public confidence makes it easier to introduce new policies or reforms because the regulator's motives and competence are trusted.

## How Will We Achieve It?

As an insurance regulator, the AIRB fosters public confidence by demonstrating **accountability, excellence, integrity, and transparency** in its actions. Here are some key strategies:

### 1. Clear & Transparent Processes

- ▶▶ Publish rules, methodologies, and decision-making criteria so stakeholders understand how decisions are made.
- ▶▶ Provide accessible explanations for complex regulatory frameworks.

### 2. External Engagement

- ▶▶ Consult with the public, industry, and consumer groups as applicable, before making major decisions.
- ▶▶ Gather input through surveys, meetings, and open comment periods.

### 3. Consistency & Predictability

- ▶▶ Apply rules uniformly to avoid favoritism or bias.
- ▶▶ Maintain stability in regulatory frameworks to build trust over time.

### 4. Evidence-Based Decisions

- ▶▶ Base decisions on data, research, and sound analysis rather than political or external pressures.
- ▶▶ Communicate the rationale behind decisions clearly.

### 5. Consumer Protection

- ▶▶ Prioritize the interests of consumers and ensure they are treated fairly.
- ▶▶ Implement measures to prevent fraud, abuse, or market manipulation.

### 6. Effective Communication

- ▶▶ Share updates through reports, press releases, and social media.
- ▶▶ Use plain language so the public can easily understand regulatory actions.

# Strategic Priorities

## Three Year Strategic Priorities to Guide Our Work

### Promote Accessibility & Affordability

**Objective:** *Keep auto insurance accessible and affordable while sustaining a competitive market.*

- ▶▶ Maintain a competitive and sustainable auto insurance market.
- ▶▶ Monitor affordability as inflation and rising physical damage claims costs continue to put pressure on premiums.
- ▶▶ Address consumer concerns about fairness and predictability of rates.

### Support Transition & Evaluation of System Reform

**Objective:** *Ensure a smooth transition to Care-First in 2027 and a robust evaluation of outcomes.*

- ▶▶ Support industry and government in the shift towards Care-First in 2027.
- ▶▶ Work with industry and government to ensure smooth implementation and consumer understanding of changes to their auto policy.
- ▶▶ Collect data and develop reporting tools for key performance indicators used to evaluate the implementation and transition to Care-First.

### Enhance Consumer Education & Transparency

**Objective:** *Improve understanding of coverage, rate setting, and consumer supports available.*

- ▶▶ Focus public education initiatives on helping Albertans understand coverage options, rate-setting processes, and role of the AIRB as a consumer support system.
- ▶▶ Promote communication on tools and information available to help consumers, such as how premiums are determined and what drives cost changes.
- ▶▶ Engage with Albertans through both social and traditional media, including our website, awareness campaigns, consumer perception surveys, and direct contact or correspondence.

### Strengthen Regulatory Oversight & Market Stability

**Objective:** *Ensure fair, evidence-based rate setting and robust monitoring of profitability and claims trends.*

- ▶▶ Monitor insurer profitability and claims trends amid rising costs and severe weather impacts.
- ▶▶ Ensure fair and predictable rate-setting through evidence-based decisions and benchmarks.

### Modernize Regulatory Processes

**Objective:** *Improve efficiency, timeliness, and transparency through technology and continuous improvements.*

- ▶▶ Enhance existing technology and data analytics to improve efficiency and transparency.
- ▶▶ Focus on continuous improvement and operational changes to increase efficiency and timeliness on all aspects of our work.

# Consultation & Engagement

Consultation and engagement with the industry and other interested parties is crucial to our success. The more we engage, the more we learn about challenges and opportunities to improve the oversight for consumers and increase efficiency, thereby reducing cost for the insurers. How we achieve this will correspond with the priorities in each annual operational plan, and over the three-year period, these activities will be considered as appropriate.

## Strategic Priorities

### Promote Accessibility & Affordability

#### Engagement With:

- ▶▶ Consumers
- ▶▶ Insurers
- ▶▶ Brokers
- ▶▶ Industry Associations
- ▶▶ Government

#### Engagement Actions:

- ▶▶ **Public Surveys and/or Focus Groups:** Gauge consumer perceptions of affordability and fairness.
- ▶▶ **Meetings with Industry Associations, Insurers, and Brokers:** Discuss market competitiveness, challenges, and cost pressures.
- ▶▶ **Industry Advisory Committee:** Provide feedback on rate predictability and transparency, implementation of Care-First, and other relevant market trends.
- ▶▶ **Communication Channels:** Engage through website updates, social media Q&A sessions, and newsletters.

### Support Transition & Evaluation of System Reform

#### Engagement With:

- ▶▶ Consumers
- ▶▶ Insurers
- ▶▶ Brokers
- ▶▶ Industry Associations
- ▶▶ Government

#### Engagement Actions:

- ▶▶ **Industry Advisory Committees for Care-First:** Participate in joint working groups with government, the AIRB, and industry.
- ▶▶ **Webinars:** Explain Care-First changes and gather feedback.
- ▶▶ **Consumer Education Campaign:** Engage through multi-channel outreach (webinars, FAQs, videos).
- ▶▶ **Data Collaboration:** Share templates and reporting tools with insurers for KPI tracking.

## Enhance Consumer Education & Transparency

### Engagement With:

- ▶▶ General Public
- ▶▶ Media

### Engagement Actions:

- ▶▶ **Annual Awareness Campaign:** Focus on coverage options and rate-setting processes.
- ▶▶ **Interactive Tools:** Promote online calculators and videos explaining what drives premiums.
- ▶▶ **Social Media Engagement:** Reach audience through weekly posts, and live Q&A sessions.
- ▶▶ **Consumer Perception Surveys:** Measure understanding and trust in AIRB processes.

## Strengthen Regulatory Oversight & Market Stability

### Engagement With:

- ▶▶ Insurers
- ▶▶ Government
- ▶▶ Actuarial Consultant

### Engagement Actions:

- ▶▶ **Semi-Annual Market and Trends Reports:** Share insights on claim trends and profitability.
- ▶▶ **Semi Annual Reviews:** Receive feedback on semi-annual loss cost trends and benchmarks, which are used as a comparison to insurer developed indications for evidence-based rate-setting.
- ▶▶ **Webinars:** Educate insurers and brokers on industry trends and changes.
- ▶▶ **Crisis Communication Plan:** Develop a rapid response for severe weather or cost spikes.

## Modernize Regulatory Processes

### Engagement With:

- ▶▶ AIRB & Department Staff
- ▶▶ Insurers
- ▶▶ External Consultants

### Engagement Actions:

- ▶▶ **Pilot Programs:** Test new data analytics dashboards with select insurers.
- ▶▶ **Feedback Loops:** Conduct post-implementation surveys on process efficiency.
- ▶▶ **Transparency Updates:** Publish progress reports on modernization initiatives.

The AIRB values our engagement with national regulatory bodies and actively participates in leadership roles with the Canadian Auto Insurance Rate Regulators Association (CARR) and the General Insurance Statistical Agency (GISA).

We also engage internally in government projects and initiatives. In addition to our support of the implementation for Care-First, we are actively involved with Alberta Transportation and Economic Corridors and their work with the Commercial Transportation Strategy Committee.

# Risk Management

The AIRB regulates rates in a dynamic market influenced by socio-economic factors and events. An essential component of the AIRB's strategic planning is monitoring and evaluating developments and trends in the marketplace to identify regulatory, operational, and reputational risks, and considering how the risks we face could prevent us from achieving our desired outcomes or present opportunities for new outcomes.

An important part of understanding the factors which may influence the AIRB's ability to achieve its goals is the context of the market in which we are regulating, and supporting consumers to understand changes in their premiums. This includes understanding the market and government influences which may impact the AIRB over the next three years.

## Competitive Marketplace

A competitive market allows insurers to compete on price and service, contributing to affordability and accessibility for Alberta drivers. Drivers can choose between different insurers and no single insurer dictates how the market operates. Drivers are not required to accept a renewal from their current insurer; they can compare rates from other insurers prior to renewing their policy. Being able to choose their insurer allows drivers to shop the market for the right price and coverage for them.

The size of the market is a measure of accessibility, a key metric we monitor. Alberta has a competitive private market for auto insurance, providing coverage for over three million private passenger vehicles and with over 20 insurers actively offering coverage for private passenger vehicles in the province. Based on 2024 direct written premiums, the top nine insurer groups in Alberta represented 92.1% of the private passenger vehicle market share. We monitor the market for mergers and acquisitions which may impact competition, as well as legislative and regulatory changes which impact insurers' capacities to continue delivering policies to Albertans.

## Government Reforms

In addition to considering the current operating environment, this plan considers the work we will undertake to implement and then evaluate a Care-First auto insurance system for Alberta drivers. These reforms align with the AIRB's focus on long-term sustainability and affordability of auto insurance in our province.

The AIRB has a vested interest in the successful implementation of the first privately delivered Care-First system for Alberta drivers. A Care-First system will be implemented on January 1, 2027, and a significant amount of work has already been completed to prepare the industry for the changes in pricing a new product, and support insurers as they prepare to change the way they serve Albertans both during the purchase or renewal of their auto insurance policy and in the event of a claim. Important work will be undertaken to educate Albertans on changes to their policy, how the benefits they can access in the event of injury are increasing, and how they can access the treatment they need to heal. The AIRB will support the government both before and after implementation to provide clear information on this significant change.

## Environmental Scan

We conducted an environmental scan highlighting both external and internal factors which may impact the AIRB or its ability to deliver on its mandate. Many of these factors have directly influenced this strategic plan, others influence our day-to-day approach or are being monitored as they develop further.



### STRENGTHS

- ▶ Diverse, balanced, collaborative team who is nimble, and responds quickly to challenges.
- ▶ Authority to recover operational costs through an industry levy.
- ▶ Strong relationships with industry brokers and consumers enabling expertise in market conditions.
- ▶ Robust data analytics and reporting capabilities.



### WEAKNESSES

- ▶ Awareness of AIRB is improving but remains low.
- ▶ Limited ability to increase scope of work without adequate resources.
- ▶ Fixed budget, set by the government.
- ▶ Reliance on external consultants to deliver some aspects of our mandate.



### OPPORTUNITIES

- ▶ Expand consumer awareness and education strategies to increase visibility, engagement, and knowledge transfer.
- ▶ Build on technical abilities including analytics, machine learning, and actuarial to manage industry shifts and reduce reliance on contractors.
- ▶ Increase transparency on market data and trends through dashboards and statistics.
- ▶ Enhance economic analysis and research to address ongoing affordability.



### THREATS

- ▶ Speed of change in the industry with respect to advancements in rating and use of technology.
- ▶ Erosion of our authority through government reforms or restrictions.
- ▶ Inflation and cost pressures create uncertainty and instability in premiums.
- ▶ Misinformation on auto insurance on both traditional and social media.

In addition to the SWOT analysis to increase awareness of the factors which may influence or obstruct the AIRB's ability to execute its strategic goals over the next three years, the AIRB also considered the PESTEL framework for macro-environmental factors, within the context of the AIRB and our role as both a regulator and a resource for Alberta drivers.



**POLITICAL**

- ▶▶ Affordability of auto insurance is a priority for the Government in the current mandate.
- ▶▶ Heightened political attention on auto insurance premiums and affordability for Albertans.



**ECONOMIC**

- ▶▶ Inflation peaked during the pandemic. However, insurers have not realized any cost savings and new risks like tariffs are being monitored.
- ▶▶ Rate-setting is prospective and does not account for past profits or losses.



**SOCIAL**

- ▶▶ Auto insurance premiums continue to rise, with decreasing consumer appetite for increases.
- ▶▶ High public awareness of increases to auto insurance premiums.



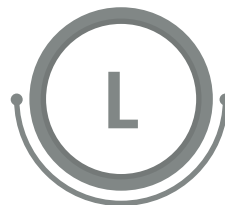
**TECHNOLOGICAL**

- ▶▶ High public awareness of high auto insurance premiums in Alberta.
- ▶▶ Increase in insurers implementing telematics for commercial vehicles, enabling risk-based pricing, and an increased capacity in the market.



**ENVIRONMENTAL**

- ▶▶ Adoption of electric vehicles remains low in Alberta, and with federal conversion expectations delayed, this is not expected to change.
- ▶▶ Extreme weather events are expected annually and are increasing in severity.



**LEGAL**

- ▶▶ Implementing Care-First to address affordability challenges and increase the accident benefits provided to claimants injured in an accident.
- ▶▶ Recent regulatory changes expanded our authority to address restrictions on underwriting.

# Performance Measurement

The AIRB has identified five strategic priorities for the next three years. Our achievement on furthering these priorities will be measured through both a qualitative and quantitative analysis, including the collection and reporting of data to ensure we understand where we are seeing anticipated results and where further action

or remediation should be considered. In addition, the AIRB will collect relevant data to report on the following measures. On an annual basis, initiatives and corresponding performance measures will be identified in the operational plans.

## Strategic Priorities

### Promote Accessibility & Affordability

- ▶▶ **Average Premium Trend:** Year-over-year change in average auto insurance premiums.
- ▶▶ **Affordability Index:** Ratio of average premium to median household income.
- ▶▶ **Market Competitiveness:** Number of active insurers and market share distribution.
- ▶▶ **Rate Predictability Score:** Variance in approved rate changes compared to forecasted trends.

### Support Transition & Evaluation of System Reform

- ▶▶ **Consumer Awareness:** Percentage of surveyed consumers who understand Care-First changes.
- ▶▶ **Data Reporting Readiness:** Number of KPIs developed and reporting tools operational before 2027.
- ▶▶ **Transition Impact Metrics:** Claims frequency and severity trends, premium trends for bodily injury and accident benefits coverages, and consumer satisfaction post-implementation.

### Enhance Consumer Education & Transparency

- ▶▶ **Public Awareness Campaign Reach:** Website visits, social media engagement, and campaign impressions.
- ▶▶ **Consumer Understanding Score:** Survey-based measure of knowledge about coverage and rate-setting.
- ▶▶ **Inquiry Volumes:** Percentage increase in inquiries by topic and source.
- ▶▶ **Educational Content Output:** Number of guides, tools, and webinars held annually.

### Strengthen Regulatory Oversight & Market Stability

- ▶▶ **Insurer Profitability Monitoring:** Percentage change in annual return on premium.
- ▶▶ **Claims Trend Analysis:** Frequency and severity trends tracked against benchmarks.
- ▶▶ **Rate Decision Timeliness:** Percentage of applications processed within mandated timelines.
- ▶▶ **Market Stability Indicator:** Volatility in premium rates and insurer solvency metrics.
- ▶▶ **Compliance Score:** Percentage of insurers meeting filing and reporting requirements.

## Modernize Regulatory Processes

- ▶▶ **Process Efficiency:** Average turnaround time for rate approvals and actuarial reviews.
- ▶▶ **Technology Adoption:** Percentage of processes digitized or automated.
- ▶▶ **Data Analytics Utilization:** Number of dashboards/reports generated for decision-making.
- ▶▶ **Continuous Improvement Initiatives:** Number of operational enhancements implemented annually.
- ▶▶ **Stakeholder Satisfaction with Processes:** Survey results from insurers.

# Operational Planning & Evaluation

In developing this strategic plan, a three-year cycle was chosen to enable smooth transition of focus and priorities overlapping with board terms to ensure continuity. The AIRB will review the strategic plan annually and update where necessary for material changes in direction or authority, with a new strategic plan developed every three years.

The AIRB develops and approves annual operational plans which detail our key initiatives and timelines, with consideration to our budget and staffing resources. Each operational plan will include key performance indicators and metrics to evaluate progress on each initiative planned for the period, with several measures being reported in annual market and trends reports to show longer term trends.

Quarterly reporting against the initiatives in the operational plan informs Board Members on our progress. The operational plan will be published to signal priorities for the coming year to industry.

The AIRB engages regularly with industry and other interested parties through the regular course of business, and meetings where issues, risks, and changes are often discussed. Feedback from industry, government, and other interested parties will inform priorities for each annual operational plan.





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