



2023 ANNUAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Alberta
airb Automobile Insurance
Rate Board





The Honourable Nate Horner
President of Treasury Board and Minister of Finance
208 Legislature Building
10800 - 97 Avenue
Edmonton, Alberta T5K 2B6

Honourable Minister:

On behalf of the Board and staff of the Automobile Insurance Rate Board (AIRB), I am pleased to submit the AIRB's 2023 Annual Report for the year ending December 31, 2023.

Under the Board's direction, the AIRB prepared this report following section 601(1) of the Insurance Act, and it presents the AIRB's activities, results and performance during 2023. The AIRB considered all significant decisions, events and identified risks in preparing this Annual Report.

As Chair, I am accountable for the contents of this report. Where this report contains approximation and interpretive information, it represents management's best estimates.

We are committed to working collaboratively with your office to pursue the successful administration of the legislation related to the AIRB.

Sincerely,

Jamie Hotte
Board Chair

Vision

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



Mission

The AIRB independently regulates automobile insurance rating programs and educates consumers to ensure Albertans have access to a robust automobile insurance marketplace.



Values

Accountability
Integrity
Excellence



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Chair's Message



Jamie Hotte
Chair

On behalf of the Automobile Insurance Rate Board (AIRB), I am pleased to present our 2023 Annual Report, detailing our operations for the twelve months ended December 31, 2023. As I reflect on the last twelve months, I am reminded of a quote from H. Jackson Brown Jr. "When you can't change the direction of the wind – adjust your sails."

In late January 2023 the President of Treasury Board and Minister of Finance issued a Ministerial Order restricting the AIRB from approving any change to a rating program resulting in an increase to any policyholder during 2023. This announcement caused us to adjust our sails – and while we continued to review filings, we seized the opportunity to focus on other projects including but not limited to the Grid review, consumer communication on rate changes, use of artificial intelligence in rating programs and hosting a seminar for brokers and agents.

Board term expiries give both the Minister and the AIRB an opportunity to reflect on the priorities for the coming three-year period and ensure our staff and Board Members bring the right expertise and diversity of background and experience to support and lead us forward. It is through this diversity of thought we can deliver on our mission and vision ensuring automobile insurance is accessible, equitable and sustainable for all Albertans.

In June I was appointed Board Chair, following Charlene Butler's departure. Ms. Butler served on the AIRB for ten years, with the last five years in role of Chair – her dedication and devotion is an inspiration for all of us. In addition, Mathew Wesolowski and Joshua Gogo both completed their appointment terms, and we welcomed new appointees – Cathy Manten and Vince Vavrek as public members and Stephane Lemieux as Consumer Representative.

Given the changes in Board composition we took time to reflect on where we have been in the past and the new adjustment to our sails required to ensure we continue to deliver on our mandate and have clear, transparent goals to guide us as we define our path forward. The AIRB held a strategic planning session in late November, and will finalize this work in early 2024, sharing the results through our next three-year business plan.

I speak for the AIRB when I say we are ready to tackle the challenges ahead and work with government to address the costs and pressures in the system and ensure Albertans have access to affordable auto insurance through a sustainable marketplace. We are excited for what the future holds and how we can contribute to ensuring Alberta drivers have access to information needed to make informed decisions on purchasing the auto insurance coverage they need.

I would like to thank our Board members and staff for their ongoing commitment to the important work of the AIRB. I look forward to working with our Board of Directors, Executive Director, and industry stakeholders in the coming year.

Board Governance

Relationship to Government

In October 2004, through the Insurance Act (the Act), the President of Treasury Board and Minister of Finance (Minister) and the Government of Alberta established the AIRB as an independent regulator. In this capacity, the AIRB is responsible for regulating automobile insurance rating programs in Alberta. The AIRB's functions, statutory duties and responsibilities serve all Albertans — the public, industry and government. In addition, the AIRB must exercise and perform any other powers and duties assigned to it by the Minister or prescribed by legislation or regulations.

Board Governance

Following the AIRB's vision, mission, and values, it sets goals as part of the annual business planning process. These goals are the basis upon which accountability and performance are evaluated.

The AIRB comprises of nine Board Members with a broad range of expertise and experience:

- ▶ Seven Board Members appointed by the Lieutenant Governor in Council;
- ▶ A Consumer Representative appointed by the Minister; and
- ▶ The Superintendent of Insurance, who is a non-voting member.

Tools for Accountability

Code of Conduct

The AIRB's Code of Conduct and Ethics (Code) follows section 23.922 of the Conflict of Interest Act. It applies to all members and employees, reflects a commitment to the AIRB's values, and provides a framework to guide ethical conduct. The AIRB

The AIRB decisions on industry filings are made independent of government and according to the enabling legislation, including decisions on changes to rating programs and the base premium concerning the Grid.

As part of the government's "Tools for Accountability," the AIRB must submit this Annual Report along with its Business Plan to the Minister annually.

The Act states the Lieutenant Governor in Council also appoints the Board's chair and vice-chair.

The AIRB holds regular meetings to review and rule on full filings for changes to rating programs and otherwise exercise its mandate and oversee its effective operation and fiscal responsibilities. It also holds an open meeting to carry out its Annual Review process, developing an Industry Benchmarks Schedule used in the review of insurance company filings and to adjust the base premium level for the Grid.

The AIRB's governance processes and policies outline how it will carry out its duties and ensure alignment with Alberta's Public Agencies Governance Act.

expects Board Members and employees to act in a way which supports this Code. To demonstrate our commitment to transparency and accountability, this Code can be viewed on our [website](#).

Charter of Expectations

The Charter of Expectations (Charter) is a governance tool used in recruiting new Board Members and as a framework to assess their performance. The Charter is reviewed annually and reaffirmed by all Board Members.

The following guiding principles provide an understanding of the roles, expectations and responsibilities of each Board Member:

- ▶ Assume, as a Board Member, the stewardship role of governing business affairs of the AIRB;
- ▶ Act in the highest ethical manner and with integrity in all personal, business and professional dealings;
- ▶ Become knowledgeable about the AIRB's mandate, responsibilities, the environment it operates in and the emerging trends and issues in the automobile insurance industry;
- ▶ Commit enough time and sufficient attention to the work of the AIRB; and
- ▶ Act in a way contributing to the effective operation of the AIRB.

Board Profile & Competency Matrix

The AIRB operates and only has the authority to make decisions as a group. Acting as a regulatory and quasi-judicial Board in a complex and constantly changing industry requires the AIRB to have a wealth of wisdom, experience and expertise in various disciplines.

The AIRB's Profile and Competency Matrix (Matrix) identifies the set of skills and experience required within the group to carry out the AIRB's mandate effectively. All our Board Members are respected in their field and have a proven record of accomplishment. In addition to direct experience with boards and governance, we seek to ensure our Board membership is diverse and represents Albertans.

Board Evaluations

The AIRB conducts an annual evaluation of its members. Evaluation of the Board as a whole, chair and member self-evaluation are sound governance practices valued by the AIRB as part of its focus on continuous improvement.

In addition, the AIRB conducts a satisfaction survey for insurers. The insurer survey measures the service AIRB staff provide and informs the Board of areas for improvement.

New Members

In 2023, we welcomed two new public members Cathy Manten and Vince Vavrek, and new Consumer Representative Stephane Lemieux.



Board Members: Stephane Lemieux, Vince Vavrek, Patricia Matthews, Cathy Manten, Jamie Hotte, Chris Bruce, Rita Lazar-Tippe and Jay Jeworski (Chris Merriman absent from photo)

Board Involvement

CARR

The Canadian Automobile Insurance Rate Regulators Association (CARR) was formed in 2008, and the AIRB is proud to be a founding member. CARR allows rate regulators to address current and potential regulatory challenges and work together to find common solutions where practical.

As an active member on CARR committees, the AIRB remains informed of market trends and innovations. The AIRB promotes information sharing, updating rating profiles used nationally by rate regulators and specifically in Alberta's rate comparison tool and training opportunities. We engage CARR membership on projects aligned with AIRB priorities.



Where **Canadian Auto Insurance Rate Regulators** Converge!



GISA

The General Insurance Statistical Agency (GISA) is the appointed statistical agent for Alberta and eight other jurisdictions with private automobile insurance regimes. GISA is a key data source for the AIRB Annual Review, market analysis and reporting. The AIRB ensures Alberta has a strong voice in the initiatives GISA undertakes.

Our Executive Director plays a key leadership role in several key GISA initiatives:

- ▶ Transition to a new statistical service provider;
- ▶ Focus on improving data collection; and
- ▶ Availability of timely and accurate data.

The AIRB recognizes the importance of quality data to make decisions both from a regulatory and industry perspective and supports the continuous improvement of the data to meet our needs and those of stakeholders and Albertans.

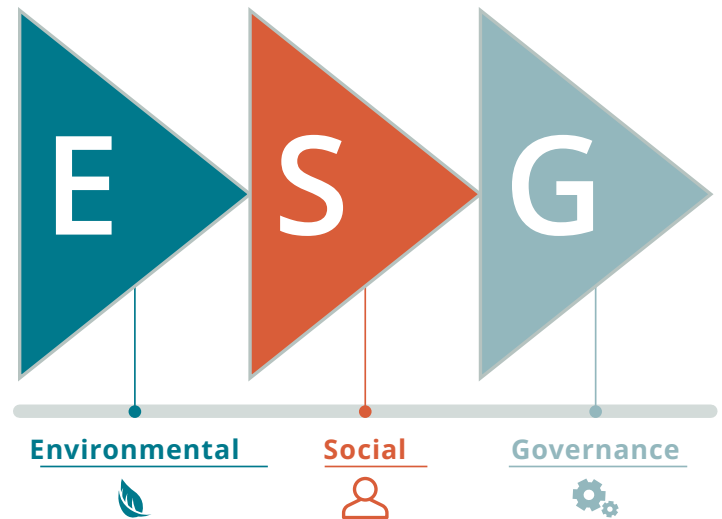
ESG Report

The landscape in which the AIRB and its stakeholders operate is evolving given increased awareness of environmental impacts and the importance of diversity and inclusion; this is changing the expectations for corporate behaviour. Whether it is considering the transition to a low carbon economy or a more diverse workforce, Boards are more than ever looking beyond financial performance when making decisions.

Environmental, Social and Governance (ESG) are three nonfinancial themes which inform decisions. Board Members strive to manage ESG risks to ensure the AIRB is less vulnerable to changes in expectations and performs better in the long run.

Establishing and reporting on ESG metrics is a priority for governments, the insurance industry, and Alberta drivers. This is the AIRB's second ESG report which considers ESG impacts for the auto insurance industry. We also look internally for metrics we can use to measure these important factors, and how they are considered as we deliver on our vision, mission and mandate to serve Alberta drivers and the Government of Alberta.

Given the nature of our work, some ESG metrics are less applicable to the AIRB, however we value all three themes as we seek to regulate the automobile insurance industry and educate Alberta drivers.



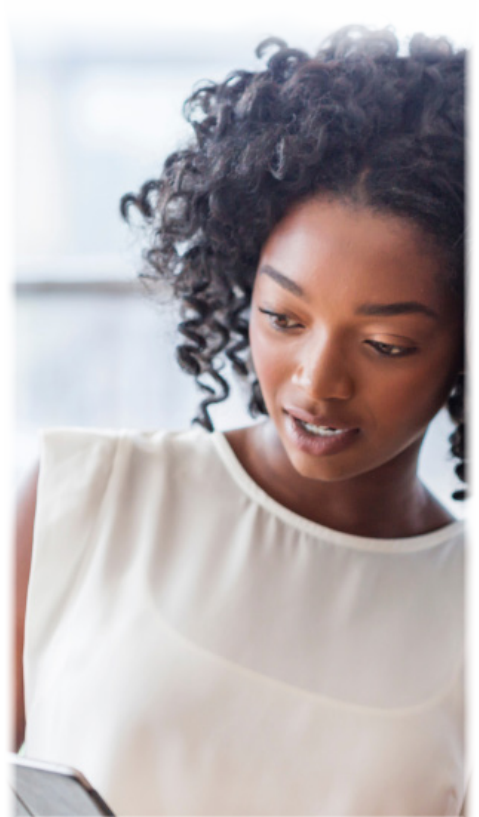
A Greener Future



An Inclusive Work Environment



Gender Diversity & Inclusion



Environmental



E

The AIRB acknowledges the effect climate change has on the frequency and severity of weather events in our province. The increasing frequency of severe weather events has an impact on comprehensive coverage loss costs, thereby increasing the premiums Alberta drivers pay. In addition to climate change, we also monitor alternative ways the automotive industry seeks to address the environmental impact today's cars have on the environment. We keep abreast of uptake and accessibility of electric vehicles and how autonomous vehicles may impact the future of mobility. The AIRB actively monitors several key environmental trends and developments in the industry to understand the evolving marketplace.

Social



S

The AIRB strives to have an inclusive work environment for the staff and Board Members, one where educated and informed professionals meet to deliver on our mandate. In addition to training and education specific to auto insurance rate setting the AIRB also ensures staff and Board Members have annual training on topics related to ethics, unconscious bias, and respect in the workplace. Staff and Board Members sign the Charter of Expectations and Code of Conduct and Ethics annually reaffirming their commitment to these core values and expectations.

Governance



G

The AIRB strives to have strong governance practices in place to guide the organization. One metric we measure for ESG is gender diversity on our Board.

Gender diversity and inclusion has long been sought around board tables across the country. Based on Statistics Canada data from 2020, 19.8% of all director positions were held by women, up from 19.2% in 2019.

As shown below, gender diversity is a factor considered in recruiting for board vacancies. We have seen improvement in the percentage of female Board Members and are hopeful we can continue to strive towards equitable representation.

% Of Women on the AIRB Board

2020



25%

2021



25%

2022



33%

2023

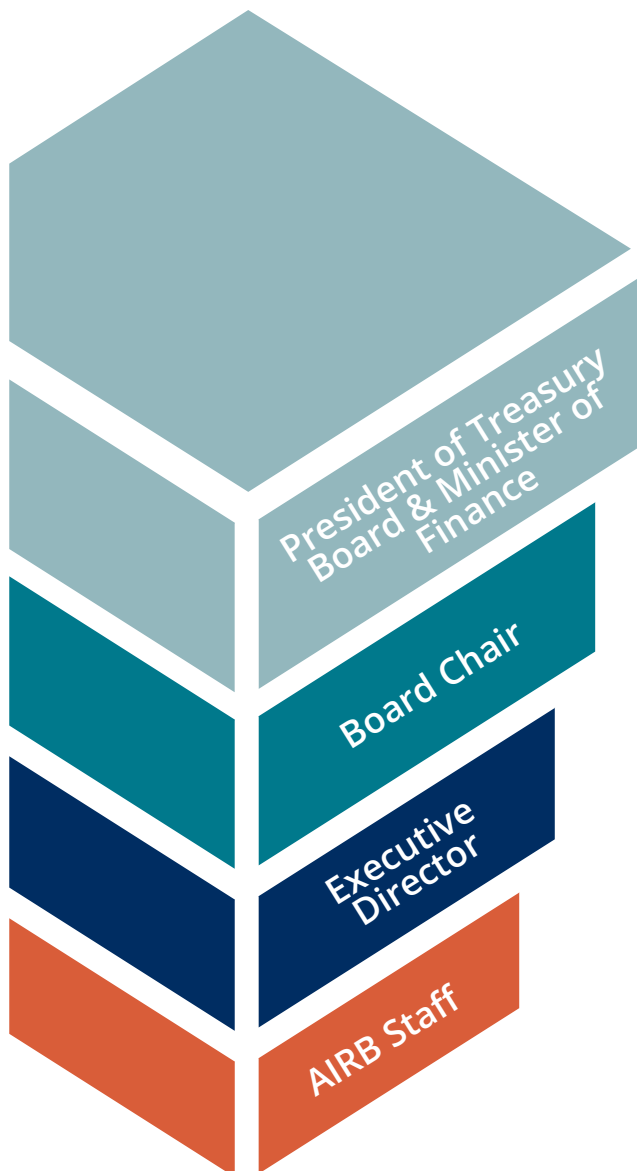


33%

Reporting & Accountability

Reporting Structure

- ▶ The AIRB operates with six approved staff positions, and actuarial and legal consulting services provided through external contracts.
- ▶ The AIRB receives operational support through the Ministry of Treasury Board and Finance including finance, human resources, and information technology services.



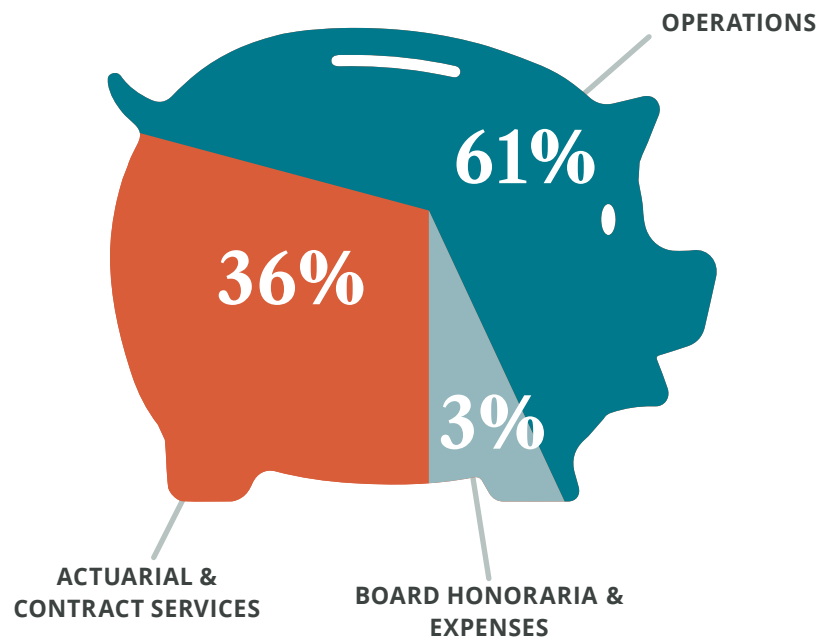
2022-2023 Expense Breakdown

The Ministry of Treasury Board and Finance's budget includes the AIRB. The AIRB is accountable to the Minister for its overall spending.

The AIRB's operations are **fully funded through an annual industry levy** to automobile insurance companies, in accordance with the Automobile Insurance Rate Board Fees Regulation.

The cost of AIRB's operations for the fiscal year ended March 31, 2023, increased 5.4 percent over the prior year.

The AIRB levy equates to a cost of \$0.37 per vehicle written (private passenger and commercial vehicles), a slight decrease from \$0.38 per vehicle in 2022.



Financial Statement

For the period April 1, 2022 to March 31, 2023

	2021/2022 Actual	2022/2023 Actual	2022/2023 Budget
Revenue			
Annual Industry Levy	1,309,000	1,309,000	1,309,000
Less Accumulated Suplus	93,686	127,525	0
Net Annual Industry Levy	\$1,215,314	\$1,181,475	\$1,309,000
Expenses			
Operations	708,805	759,936	835,692
Actuarial & Contract Services	436,641	448,762	404,258
Board Honoraria & Expenses	36,029	36,895	69,050
Total Expense	\$1,181,475	\$1,245,593	\$1,309,000
Surplus/ (Deficit)	\$33,839	(\$64,118)	\$0
Accumulated Suplus Beginning	93,686	127,525	127,525
Accumulated Surplus End	\$127,525	\$63,407	\$127,525

Notes to User

1. Annual Industry Levy

The Automobile Insurance Rate Board Fees Regulation requires insurance companies be assessed a fee based on their share of direct written automobile insurance premiums from the prior year.

2. Board Honoraria & Expenses

Board members are remunerated in accordance with Schedule 1 of the Part-Time Committee Remuneration Orders in Council 103/2006 and 466/2007. Expenses are remunerated in accordance with the Public Services Commissioner directive on subsistence and travel expenses.

3. Accumulated Surplus End

The AIRB is subject to the same fiscal restraint as the Government of Alberta and at times this results in a surplus. Any accumulated surplus is deducted from the next year's levy.

Executive Director's Report



Laurie Balfour
Executive Director

As I look back, I am extremely proud of our team's accomplishments over the past year. Following our organizational restructure, we have built a team with the right resources to support our work and deliver on our mandate for Alberta drivers. Agility has remained a key focus, this year as we adapted to changing priorities and new market realities, handling each with professionalism and renewed focus. While our work on reviewing and approving changes to rating programs remains a top priority in our day-to-day work, we have had many accomplishments in other areas, and I would like to highlight our work under two important themes: consumer education and automation and technology.

Consumer Education

This year, with the spotlight on auto insurance and heightened public awareness on affordability, the timing was right for the AIRB expand its focus on consumer education. We had several initiatives which continued past work and paved the way for future projects to deliver on this key part of our consumer education mandate, some of the great work accomplished is noted under Insurance Education later in the report. One initiative I would like to highlight is the seminar we held in November. This educational opportunity was created based on feedback from surveys, focus groups, consumer inquiries and the other initiatives we have undertaken.

Insurance Seminar

Our 2023 Consumer Perception survey results indicated a significant portion of consumers look to their broker or agent to provide information as to why their premiums are increasing, however the information provided is insufficient. Of those consumers who experienced rate increases in 2023, 62% contacted their broker or agent for an explanation and only 24% of those individuals felt they received a satisfactory explanation. While this is improvement over 2022, the results indicate Albertans are not satisfied with the information received from their broker or agent. In talking directly to brokers, and through a survey we conducted, it was identified brokers and agents do not all have access to the information needed to meet consumer expectations.

Therefore, to educate industry stakeholders, who in turn will educate their clients, the AIRB held a one-day seminar on November 23 to discuss the cost pressures facing automobile insurance today. Topics covered by our expert panel of presenters, included:

- ▶ Accident benefits and rehabilitation costs;
- ▶ Distracted/ impaired driving;
- ▶ Fraud and vehicle theft;
- ▶ Inflation impact on physical damage costs;
- ▶ Trends by territory;
- ▶ Weather-related events; and
- ▶ How to stay up to date on new trends in automobile insurance.

Early feedback from the sold-out event indicated it provided invaluable information and additional training webinars or seminars would be of interest to industry stakeholders.

Automation and Technology

Automation and use of technology continued to be a priority for the AIRB this year as we seek to use it to make information available for all Albertans. We made improvements to data access on our website, improving the functionality of our [rate comparison tool](#) to illustrate the competitive marketplace and benefits of shopping the market at renewal. In addition, we completed two other projects worth highlighting.

Updating the Collection & Reporting System

Building on the successful launch of our web-based Collection and Reporting System (CARS) in 2022, we released two important updates during 2023:

1. The web portal for Rating Profile Submissions increased insurer accountability and enabled the direct entry of premiums for each rating profile, as required based on filing type. This enhanced the security of the filing process replacing email as the method of submitting premiums for rating profiles.
 - ▶ Rating profiles are used in the AIRB's Rate Comparison Tool, a valued resource for Alberta drivers seeking to shop the market for auto insurance. Albertans can see premiums for select profiles for private passenger commercial and miscellaneous vehicles, on several different postal codes across the province.
2. Streamlining the process for Certificates of Officer and Actuary filing requirements directly into CARS, replacing fillable PDF attachments.
 - ▶ **Appendix B1 - Certificate of Officer** is required for each filing.
 - ▶ **Appendix B2 - Certificate of Actuary** is required for each actuarial full filing.
 - ▶ **Appendix B3 - Rate Filing Completion Confirmation Checklist** is required for each actuarial full filing.

Survey on Use of Advanced Models

Historically the insurance industry has been slow to adopt new technologies due to manual processes, legacy systems, and compliance requirements. However, with the surge in Artificial Intelligence (AI) applications tailored specifically to optimizing the insurance lifecycle, insurers are starting to leverage AI for process efficiency and cost savings. The AIRB surveyed industry this year on their usage of AI and Machine Learning to learn about their use of these models and governance of big data and inform our regulatory approach. We published a report of our findings, which can be found on our website.

Territory Maps

This year, we added a new dashboard to our website providing increased transparency to average premiums by city or forward sortation area (FSA). The map includes five years of data for each FSA, showing average premium, cost per claim, claim frequency (claims per 100 vehicles), and loss cost per vehicle.

Looking Ahead to 2024

The AIRB discussed new goals and objectives for 2024 during a strategic planning session in November. This session was a great opportunity to explore where we want to be in the next three and what steps we need to take to get there. As we look forward to 2024, we will be developing our new business plan to reflect these goals and continuing our momentum on key projects impacting Albertans. My team and I look forward to collaborating with stakeholders to increase public confidence in Alberta's automobile insurance system.



Insurance Education

The AIRB's main responsibility is regulating Alberta's automobile insurance rating programs. We also ensure Albertans can access information to make knowledgeable choices about automobile insurance.

Regulators face the complex task of balancing insurance company interests with consumer interests to ensure a fair and functioning insurance market. This involves creating a regulatory framework which promotes stability, competition, and consumer protection.

The AIRB's mission statement confirms the priority and requirement to focus on educating Albertans:

"The AIRB independently regulates automobile insurance rating programs and educates consumers to ensure Albertans have access to a robust automobile insurance marketplace."

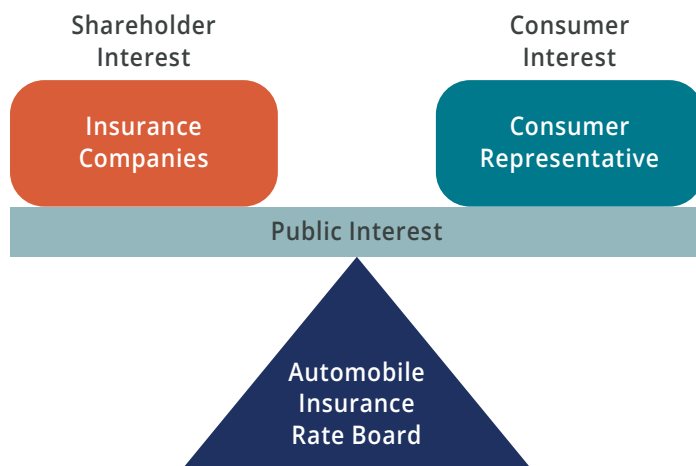
The AIRB also seeks regular feedback from Albertans in several ways:

- ▶ Telephone and email inquiries;
- ▶ The Consumer Representative's surveys;
- ▶ Invitation to attend annual Open Meeting
- ▶ Presentations on automobile insurance and shopping the market; and
- ▶ Ensuring insurance information is available and up to date on our website.

The AIRB believes it is important to provide Albertans with information about the costs of claims, the factors influencing their premiums, and the actions they can take to reduce their premiums. A list of the top ten reasons why premiums increase is available on our website. The AIRB regularly reviews information for Alberta drivers on its website, updating or adding content to ensure Albertans have access to current, accurate information on automobile insurance.

Social Media

The AIRB launched three new social media channels in 2023 (Facebook, Instagram, LinkedIn) in addition to the website and YouTube channel. This will provide additional opportunities to reach consumers with advice and tips on purchasing and managing automobile insurance.



For many Albertans, their sole interaction with their automobile insurance provider might occur during the yearly policy renewal, unless they've needed to file a claim. As a result, the renewal process takes on added significance in terms of bolstering consumer confidence and enhancing the reputation of the insurance company.

The Consumer Representative's annual Consumer Perception survey has indicated consumers have not been happy with the explanations on changes to premiums for several years. In addition, the AIRB had concerns with how changes to individual automobile insurance premiums were communicated to policyholders during the pandemic. In response we added a filing requirement to report on how changes to a rating program would be communicated to policyholders.

The Filing Guidelines state the AIRB's expectation of

"...clear communication to consumers about premium changes. Insurers will provide simple, adequate, and effective notice to consumers, as well as agents and brokers, of upcoming premium changes so consumers can make an informed decision regarding their coverage."

A Review of Communications to Policyholders

In the last year, automobile insurance affordability has been in the spotlight which in turn reiterates the need for increased consumer education and understanding on the factors influencing how premiums are calculated.

A review was conducted in June 2023 of the eleven largest insurers, by market share, offering automobile insurance in Alberta. All eleven insurers responded to the request to provide:

- ▶ Information sent to policyholders at renewal;
- ▶ Materials sent to the insurer's distribution channel (agent or broker) to support explaining premium changes, and
- ▶ Consumer education information on the insurer's website related to understanding changes in premiums.

A key finding of the review showed insurers rely on agents and brokers to communicate reasons for premium changes; detailed premium change information is not provided directly to the policyholder. In fact, the previous year's premium is not displayed in the documents for comparison – it is up to the policyholder to retrieve the information themselves or reach-out to a broker or agent. Some, but not all, brokers and agents reach-out to the clients at renewal time but this is not consistent.

Shopping the Market

Alberta's private insurance delivery system benefits Albertans by providing choice and flexibility over their coverage and the premium they pay for insurance.

The AIRB website provides a comprehensive interactive rate comparison tool, which allows Albertans to compare insurance companies' rates for a sample number of driving profiles and geographical locations. While this tool does not provide pricing for a specific driver, its purpose is to:

- ▶ Demonstrate the wide range of premiums available for the same coverage; and
- ▶ Show how shopping the market for rates may result in a lower premium.

Policyholder communications often lack personalized content with precise answers about what is happening to their premium year-over-year. It should be noted some insurers provided excellent material to their policyholders, but there is room for many insurers to improve.

The AIRB believes insurers should provide their policyholders with a detailed explanation if a premium increase is more than 5%. Insurers are encouraged to provide policyholders with clear, concise, and easy-to-understand information about their policies, including coverage, exclusions, and limitations. Any technical terms or jargon should be explained in simple language.

Albertans should be aware insurance companies compete not only on premiums but also on services and products. Therefore, a premium should not be the only determining factor when selecting an insurance company. If a driver is not satisfied with the premium for their automobile insurance, the AIRB encourages comparative shopping. Albertans can contact an insurance broker, agent, or one of the many companies with online quoting tools.

Insurance Information

The AIRB website includes a wide range of information such as ways to lower your premiums, factors affecting your premiums, comparing rates, a Grid calculator, and links to insurance companies.

Annual Review

Under Section 9 of the Automobile Insurance Premiums Regulation, the AIRB conducts an Annual Review of automobile insurance trends, premiums and costs relating to basic and additional coverage for private passenger vehicles. The Annual Review considers industry experience of claims costs, administrative expenses, profitability, and other matters the AIRB believes appropriate.

In early 2023, the AIRB requested its consulting actuary, Oliver Wyman Limited (Oliver Wyman), complete an analysis of industry experience for the period ending December 31, 2022. The AIRB posted Oliver Wyman's preliminary report to our website on June 23, 2023, for review by stakeholders. The AIRB provided stakeholders with an opportunity to respond to this report at an open meeting held on August 17, 2023, by written submission, presentation or through the AIRB Consumer Representative. At the open meeting, the AIRB heard from Oliver Wyman, the Consumer Representative and four industry stakeholders.

Consumer Representative

As part of the Annual Review process, the AIRB contracted a consulting and research firm to conduct an independent and impartial review of Alberta drivers' perceptions of automobile insurance. This was done on behalf of the Consumer Representative, Mr. Mathew Wesolowski, using a social media panel and telephone survey. The AIRB also considered Albertans' specific concerns and information from other provinces, traffic safety trends, and other data.

The results through the combined surveys included the following:

- ▶ The percentage of Albertans who feel their premiums are fair and reasonable decreased from 25% in 2022 to 19% in 2023.
- ▶ The percentage of Albertans who contacted their broker or agent to explain changes in their insurance premium dipped to 62% in 2023 down from 66% in 2022.
- ▶ The percentage of Albertans who sought competitive quotes remained consistent at 54% in 2023 compared to 53% in 2022.
- ▶ The percentage of Albertans who were aware of DCPD rose slightly from 35% in 2022 to 39% in 2023 – still well below expectation given it was in force for a full year.

The AIRB considered the information received at the open meeting and the written submissions, and then requested Oliver Wyman update its preliminary report based on this feedback.

The AIRB published its "Annual Review Report" of its findings on September 30, 2023, which included the Consulting Actuary's report, Consumer Representative's report and the approved Industry Benchmarks Schedule.

The Annual Review Report can be found on our [website](#).

In addition to the Annual Review, the AIRB conducts a Semi-Annual Review between January and March, resulting in an updated Industry Benchmarks Schedule to review insurance companies' filings for April 1 to September 30.

In 2023, the Consumer Representative also conducted two online focus groups each targeting different demographics and regions – seniors, youth, urban and rural. Each of the focus group participants engaged in open discussions of their opinions of automobile insurance in Alberta and discussions to correct misinformation or impressions the participants had. The insights heard from these focus groups was invaluable to the Consumer Representative in writing a report of his findings.

These findings were presented to the AIRB at its open meeting in August. Mr. Wesolowski's report, including his observations is available on our [website](#).



Automobile Insurance Market

The AIRB independently regulates automobile insurance rating programs and educates Alberta drivers, while ensuring access to a robust automobile insurance marketplace. The AIRB monitors industry trends and developments to inform the Government of Alberta and other industry stakeholders. Further, the AIRB evaluates affordability, accessibility, and service quality by monitoring relevant indicators influenced by Alberta drivers' knowledge, competition, and industry trends.

Filing Decisions

One of the AIRB's primary responsibilities is to review and approve changes to rating programs for all types of vehicles and coverages. The AIRB reviews insurance company filings and can approve, reject or amend a filing. The AIRB staff, in consultation with our actuary, scrutinize each filing. This is to ensure the request for a change to a rating program is supported and complies with the AIRB's guidelines and the applicable legislative requirements. It is common for this review to result in a change to the insurance company's request before presentation to the Board Members. The AIRB tracks the volume of filing decisions by vehicle type as one indicator of market sustainability.

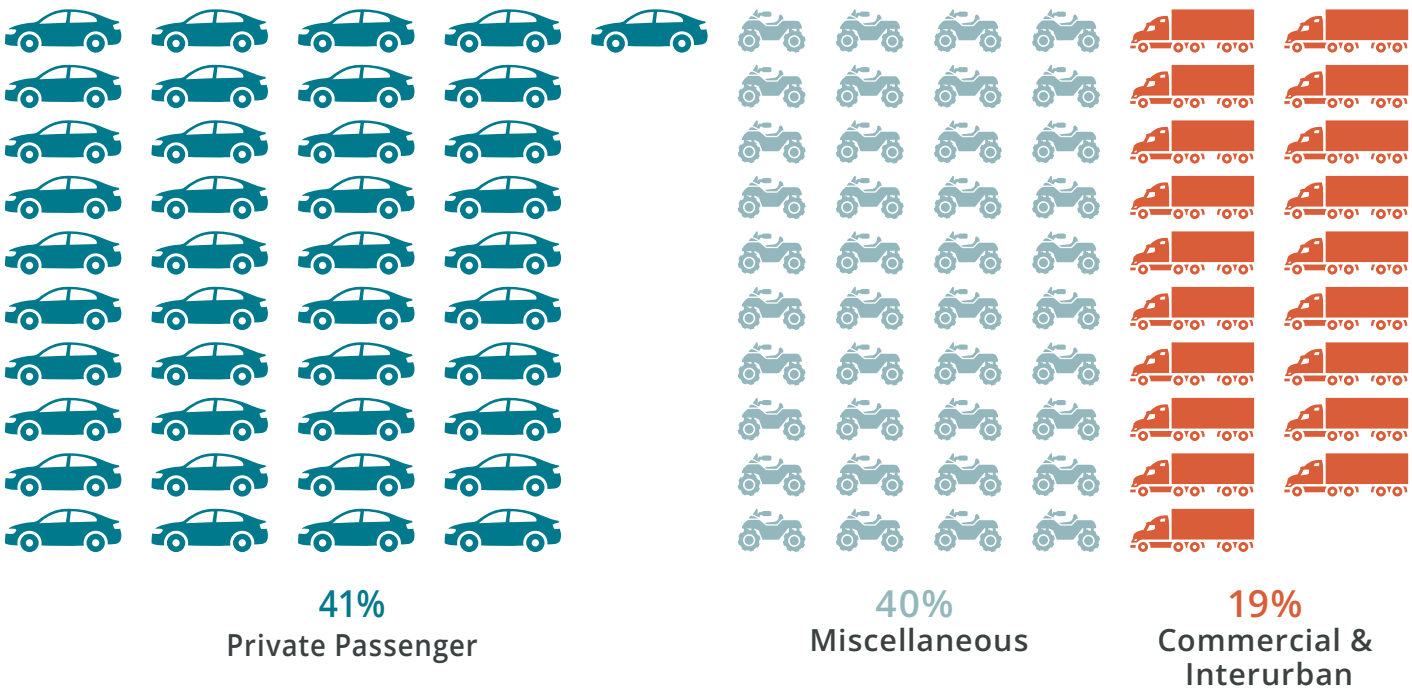
In 2022, the AIRB expanded the "file and use" filing guideline, reducing red tape for insurance companies and encouraging regular maintenance of all vehicle types' rating programs. Regular maintenance of a rating program minimizes rate shocks, which negatively affect drivers.

In 2023, 92% of insurance company rate filings were submitted through our file and use guidelines. The rate increase is limited under these filings, resulting in stability for Alberta drivers.

With the rate pause in effect for most of 2023, we saw a shift towards miscellaneous vehicles, while insurers still filed for private passenger vehicles to make underwriting changes to comply with changes to standard endorsement forms and the Adverse Contractual Action Regulation.

For more information, refer to Rate Changes on our [website](#). Filing decisions are updated daily, reflecting any rate changes implemented on any given day. We do not prematurely disclose information about rate filing decisions, as it might give other companies an unfair advantage over their competitors.

Filings by Vehicle Type



Automobile Insurance Trends

3.5%

After-tax Income
Spent on Auto
Insurance



76%

Unsatisfied with
Explanation as to
Why Premiums Increased



56%

Satisfied with Level of
Claim Service Provided



For More Market Trends See
[2023 Market and Trends Report](#)

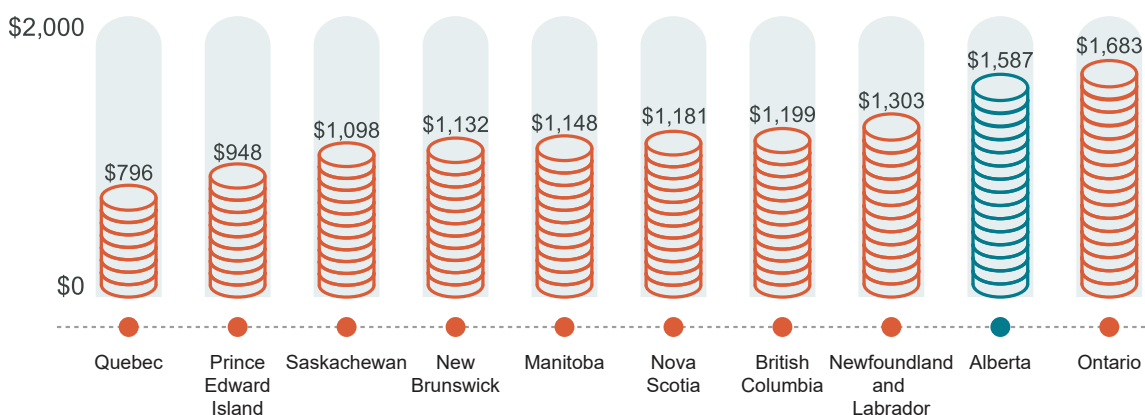
\$1,587

Average Premium

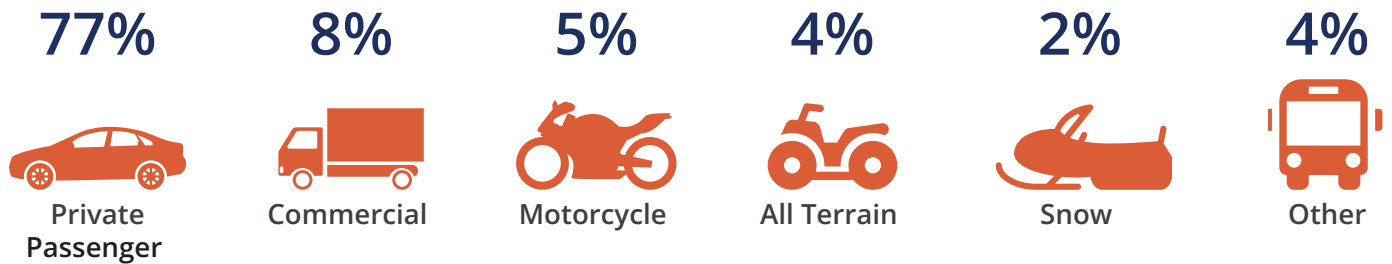
0.6%



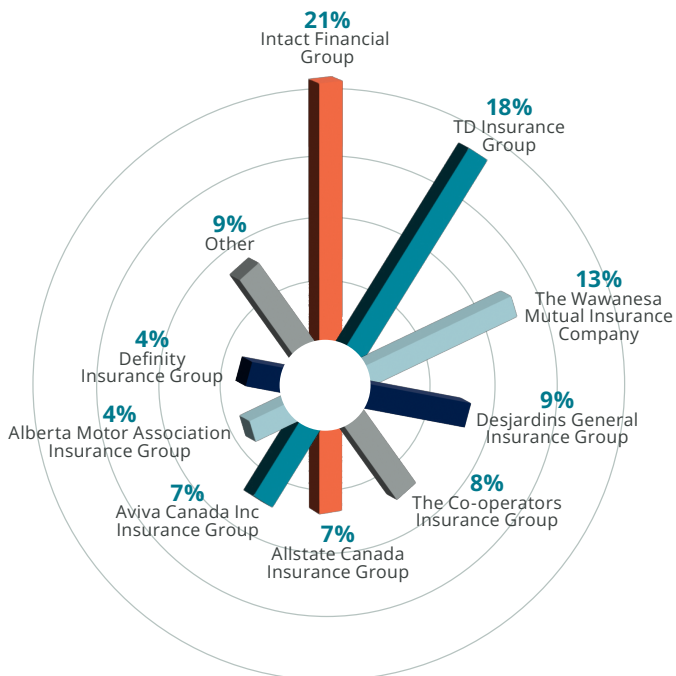
Average Premium by Province



Market by Vehicle Type



Top PPV Insurance Group (2022)



63%



PPV Loss Ratio

\$79

Profit Per Vehicle



6.8%

Return on Equity
Earned by Industry
on PPV

Active Automobile Insurance Companies

Direct Written Premium ('000's) for 2022¹

Name of Insurance Company		Name of Insurance Company	
AIG Insurance Company of Canada	17,152	HDI Global Specialty SE	7,395
Alberta Motor Association Insurance Company	154,768	Intact Financial Insurance Group	
Alberta Municipal Insurance Exchange	1,355	Belair Insurance Company Inc.	85,567
Allianz Global Risks US Insurance Company	59	Intact Insurance Company	1,021,924
Allstate Canada Insurance Group		Royal & Sun Alliance Insurance Company of Canada	12,958
Allstate Insurance Company of Canada	251,993	Unifund Assurance Company	181,721
Pembroke Insurance Company	81,543	Liberty Mutual Insurance Company	18,567
American Road Insurance Company	1,086	Lloyd's Underwriters	42,835
Arch Insurance Canada Ltd.	1,972	Mennonite Mutual Insurance Co. (Alberta) Ltd.	22
Aviva Canada Inc. Insurance Group		Millennium Insurance Corporation	63,420
Aviva General Insurance Company	54,308	National Liability & Fire Insurance Company	2,890
Aviva Insurance Company of Canada	311,058	Northbridge Financial Corporation Insurance Group	
Elite Insurance Company	15,683	Federated Insurance Company of Canada	34,648
S&Y Insurance Company	1,210	Northbridge General Insurance Corporation	188,895
Traders General Insurance Company	73,226	Tokio Marine & Nichido Fire Insurance Co., Ltd.	584
Canadian Farm Insurance Corp.	6,415	Zenith Insurance Company	21,227
Chubb Insurance Group of Canada		Old Republic Insurance Company of Canada	9,686
Chubb Insurance Company of Canada	35,722	Optimum West Insurance Company Inc.	7,998
Mitsui Sumitomo Insurance Company, Limited	571	Peace Hills General Insurance Company	147,034
Continental Casualty Company	15,907	Portage la Prairie Mutual Insurance Company, The	41,468
Co-operators Insurance Group, The		Protective Insurance Company	1,107
Co-operators General Insurance Company	438,388	Sentry Insurance A Mutual Company	76
Cumis General Insurance Company	10,953	SGI CANADA Insurance Services Ltd.	91,382
Sovereign General Insurance Company, The	25,616	Starr Insurance & Reinsurance Ltd.	958
Definity Insurance Group		TD Insurance Group	
Definity Insurance Company	235,666	Primum Insurance Company	234,637
Sonnet Insurance Company	79,135	Security National Insurance Company	622,769
Desjardins General Insurance Group		TD Home and Auto Insurance Company	10,780
Certas Direct Insurance Company	27,288	Travelers Insurance Group	
Certas Home and Auto Insurance Company	191,173	Dominion of Canada General Insurance Company, The	108,106
Personal Insurance Company, The	167,183	St. Paul Fire and Marine Insurance Company	5,976
Echelon Insurance	10,664	Travelers Insurance Company of Canada	19,716
Everest Insurance Company of Canada	17,593	Unica Insurance Inc.	733
Fortress Insurance Company	226	Wawanesa Mutual Insurance Company, The	738,816
Genesis Reciprocal Insurance Exchange	4,792	XL Specialty Insurance Company	1,485
Gore Mutual Insurance Company	2	Zurich Insurance Company Ltd.	25,357
Hartford Fire Insurance Company	451		

¹Based on the written premium for the AIRB's 2023 cost recovery



Automobile Insurance Rate Board

Canadian Western Bank Place
#2440, 10303 Jasper Avenue
Edmonton, AB T5J 3N6

Phone: 780.427.5428

Email: airb@gov.ab.ca

albertaairb.ca

