

# 2025 - 2028 BUSINESS PLAN

THREE YEAR ROLLING







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

Honourable Minister:

I am pleased to provide the Automobile Insurance Rate Board's (AIRB) 2025-2028 business plan. The AIRB is an independent agency, established by the President of Treasury Board and Minister of Finance to regulate auto insurance rating programs and provide consumer education in Alberta.

This rolling three year business plan, commencing April 1, 2025, was prepared under my direction and is built on our vision, mission, and values. All of the AIRB's policy decisions as of March 31, 2025, with material economic or fiscal implications of which I am aware, have been considered in preparing this plan.

The AIRB's priorities outlined in this business plan were developed in the context of the Government's business and fiscal plans, the AIRB's Mandate and Roles document, and the operating environment known at the time of approval. The AIRB is accountable for the preparation and achievement of strategies and objectives laid out in this business plan.

Sincerely,

**Jamie Hotte, FCIP**  
Board Chair

# Table Of Contents

02

About the AIRB

03

Operating Environment

04

Strategic Direction



# About the AIRB

## 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 market.

## Mandate

The AIRB is a regulatory agency established by the President of Treasury Board and Minister of Finance in accordance with section 599 of the Insurance Act. The AIRB was established in 2004 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:

### 1. Rate Regulation

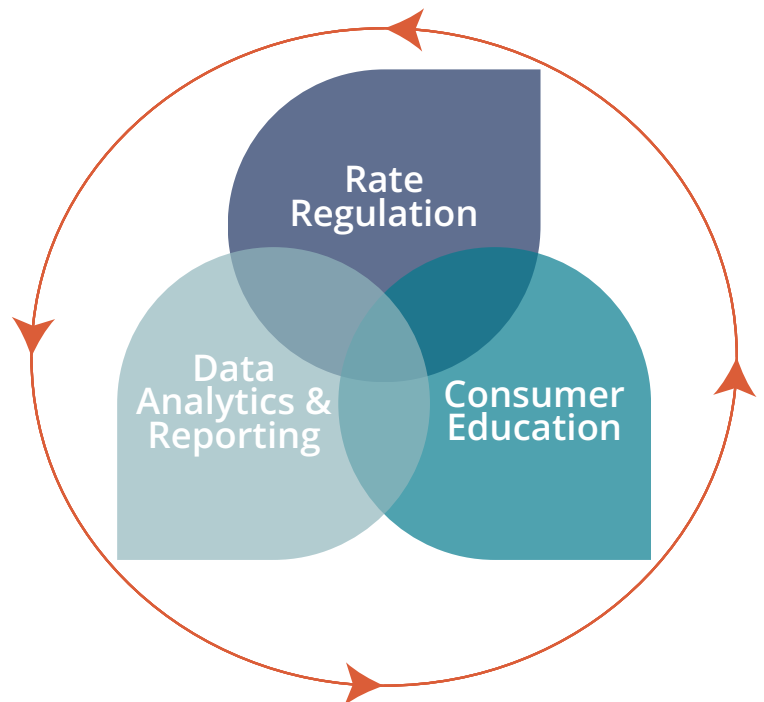
- ▶ Making rules governing the approval of rating programs.
- ▶ Reviewing and approving changes to auto insurance rating programs.
- ▶ Publishing all filing decisions.
- ▶ Maintaining the Grid rating system and adjusting the base premium annually.

### 2. Data Analytics & Reporting

- ▶ Conducting an annual review of auto insurance trends and rates, which includes feedback from the Consumer Representative and other interested parties through written submissions and presentations at an open meeting.
- ▶ Collecting and analyzing data to report on industry trends informing 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.

### 3. Consumer Education

- ▶ Providing education and information related to auto insurance on an ongoing basis through the AIRB website, social media, presentations, and direct contact with Alberta drivers.
- ▶ Conducting an annual Consumer Perception survey to inform the Consumer Representative's report, which is completed as part of the AIRB's annual review process.
- ▶ Responding to consumer inquiries on auto insurance premiums.
- ▶ Promoting resources and information available through consumer education campaigns.





# Operating Environment

The AIRB strives to be principle based while operating in a complex, and evolving regulatory environment. The market we regulate is influenced by external economic, social, technological, and political forces which each create challenges for insurers operating in the province. They also put pressure on the premiums Alberta drivers pay, as basic auto insurance is mandatory to register and operate a motor vehicle in the province.

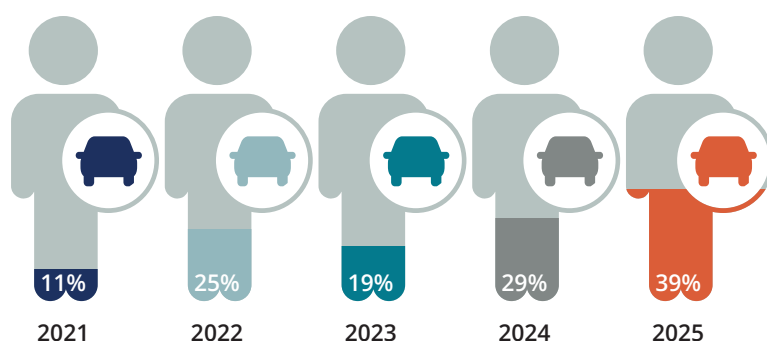
The AIRB monitors claim, premium, and profitability trends, both in Alberta and nationally. Data analysis can be found in the Market and Trends Reports as well as the Annual and Semi-Annual Reviews, available on our [website](#).

## Consumer Perceptions

Every January the AIRB's Consumer Representative undertakes a Consumer Perception Survey to inform the Board of consumers' perceptions and confidence on auto insurance. In the past we have found perceptions are swayed by increased attention in mainstream news and social media channels. We have seen consumer satisfaction with premiums being fair and reasonable increasing since 2023. Affordability and inflation have been prominent in the media over recent months, and the Good Driver Rate Cap may be a factor influencing consumer satisfaction with insurance premiums.

The AIRB carefully considers the affect on consumers when reviewing all requests for changes to rating programs and is continuing to focus on consumer education in this business plan. There are several consumer education resources available on our [website](#) and on our social media channels.

### Consumer Satisfaction with Premiums Being Fair & Reasonable<sup>1</sup>



## 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. Insurers competing on price contributes to affordability in the marketplace.

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 2.9 million private passenger vehicles and with over 26 insurers offering coverage to Albertans.

Based on 2023 direct written premiums, the top ten insurer groups in Alberta represented 92% 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 to delivering policies to Albertans.

## Financial & Human Resources

The AIRB is comprised of up to seven public Board Members appointed by the Lieutenant Governor in Council, a Consumer Representative appointed by the Minister and the Superintendent of Insurance a non-voting member. The Board Members are supported by a team of employees seconded by the Government of Alberta.

The AIRB's operating expense budget is disclosed in the Treasury Board and Finance's annual business plan, and those costs are recovered from industry through the Automobile Insurance Rate Board Fees Regulation. We publish our annual financial results in the [AIRB's Annual Report](#).

<sup>1</sup> Note: Consumer satisfaction is percentage that selected 5-7 on a scale of 1-7

# Strategic Direction

## Government Reforms

In addition to considering the current operating environment, this plan considers the work we will undertake to implement 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.

Since 2024, the AIRB's funding has enabled increased reach on our mandate to provide education and information related to auto insurance on an ongoing basis. Through television commercials, billboards, paid social media, and Google Ads, we increased awareness of the AIRB and how we provide information on how to save on auto insurance. We recognize this is just the beginning, and continued delivery of auto insurance education and information will be key to ensuring a successful implementation of the first privately delivered care-first system to Alberta drivers.

## Operational Plan

In addition to the objectives and activities outlined in this business plan, the AIRB develops and approves an internal operational plan used for internal objectives and activities. The operational plan is a tool used for reporting progress to Board Members on our public and internal objectives.

A care-first system will be implemented on January 1, 2027, and there is a significant amount of work required to get ready as a regulator receiving rate filings on a new product, and supporting insurers as they prepare to change the way they serve Albertans both during the purchase or renewal of their auto insurance policy and in event of claim. Albertans need to understand how their policy, is changing, how the benefits they can access in event of injury are increasing, and how they can access the treatment they need to heal.

The AIRB's attention will continue to focus on the day-to-day activities executed in the delivery of our mandate, while we work to ready processes and data required to ensure a successful transition in 2027.

The operational plan is a living document, which is adjusted to respond to changes not anticipated at the start of the fiscal year, as required. The AIRB monitors progress through quarterly updates to Board Members.

## Rate Regulation

### Objectives

1. Auto insurance premium increases are moderate year over year, enabling Alberta drivers to budget this mandatory expense in their personal finances.
2. The Grid provides a reasonable entry level premium so new drivers have time to gain experience demonstrating safe driving behaviors.
3. Filing guidance and systems are easy to use, reducing red tape and encouraging maintenance of rating programs to stabilize impacts to policyholders.
4. Rate filing decisions protect the consumer's interests while fostering a healthy marketplace.



### Planned Activities for the 2025-2026 Fiscal Year

1. Review and approve rate filings, ensuring continued compliance with the Ministerial Order, and implementation of rating programs for vehicle protection products.
2. Actively work with government and industry on the implementation of a privately delivered care-first auto insurance system to address the affordability and sustainability of auto insurance.
3. Lead engagement with industry on pricing of long-term reforms.
4. Revisit filing guidelines for opportunities to further reduce red tape, while encouraging regular maintenance to avoid large rate shocks for policyholders.

### Performance Indicators

#### Average Increase in Premiums Year Over Year

| Actual <sup>2</sup> |         |                      | Target  |         |
|---------------------|---------|----------------------|---------|---------|
| 2023/24             | 2024/25 | 2025/26 <sup>3</sup> | 2026/27 | 2027/28 |
| 1.90%               | 9.05%   | 10.00%               | 10.00%  | 5.00%   |

#### Insurer Satisfaction Survey Results

| Actual <sup>4</sup> |         |         | Target  |         |
|---------------------|---------|---------|---------|---------|
| 2023/24             | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| 81%                 | 81%     | 95%     | 95%     | 95%     |

<sup>2</sup> 12 month rolling weighted average as of March 31

<sup>3</sup> Good driver rate cap is at 7.50% for 2025, however not all drivers capped, therefore 10.00% reflects average for all drivers

<sup>4</sup> Volatility of results year over year due to actual insurers who respond to survey each year



## Data Analytics & Reporting

### Objectives

1. The AIRB leverages data from a variety of sources to present a comprehensive view of issues and trends to make informed decisions.
2. AIRB data is used to inform and evaluate government policy decisions on auto insurance.
3. The AIRB presents data in a manner appropriate for the different users and audiences to ensure it is easily understood.



### Planned Activities for the 2025-2026 Fiscal Year

1. Increase access to data and statistics through easy to digest dashboards on our websites.
2. Measure and evaluate excess profits in accordance with new authority and policy.
3. Explore opportunities to implement a guided experience for Alberta drivers on our websites.
4. Evaluate options for new driver protection to replace the Grid Rating System.

### Performance Indicators

#### Website Hits on Market and Trends Reports

| Actual  |         |         | Target  |         |
|---------|---------|---------|---------|---------|
| 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| 4,168   | 5,399   | 6,500   | 8,000   | 10,000  |

#### Number of New Dashboards and Publications

| Actual  |         |         | Target  |         |
|---------|---------|---------|---------|---------|
| 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| 5       | 5       | 5       | 7       | 7       |

## Consumer Education

### Objectives

1. Albertans look to the AIRB to find impartial information to assist them in choosing an insurance provider.
2. Albertans are aware of regulatory protections in place for auto insurance.
3. Albertans understand the change in their annual premiums and what they can do to reduce premiums.
4. Albertans know where to go if they have issues with their auto insurance – Insurer Ombudsperson, General Insurance Ombudservice, AIRB or Superintendent of Insurance.
5. AIRB is the preferred source of factual automobile data and information.



### Planned Activities for the 2025-2026 Fiscal Year

1. Continue to build awareness of AIRB as a source of information through consumer education campaigns.
2. Engage Industry Advisory Committee to identify areas where enhanced education or reference material would be beneficial to support better policyholder discussions.
3. Build the consumer e-mail newsletter program and increase subscriber numbers.
4. Hold educational events to support industry professionals.

### Performance Indicators

#### Consumer Perception on Premium Fair and Reasonable<sup>5</sup>

| Actual  |         |         | Target  |         |
|---------|---------|---------|---------|---------|
| 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| 29%     | 39%     | 39%     | 49%     | 59%     |

#### Consumer Confidence

| Actual <sup>6</sup> |         |         | Target  |         |
|---------------------|---------|---------|---------|---------|
| 2023/24             | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| 69%                 | 69%     | 75%     | 80%     | 85%     |

<sup>5</sup> Based on results of Consumer Perception Survey conducted in January of each year of respondents selecting "High Agreement" calculated as a rating of 5-7

<sup>6</sup> Based on results of Consumer Perception Survey question "How confident are you about making purchase decisions regarding auto insurance" of respondents selecting "High Agreement" calculated as a rating of 5-7



## **Automobile Insurance Rate Board**

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