

2025

# ANNUAL REPORT



**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 2025 Annual Report for the year ending December 31, 2025.

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 2025. 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,

Patricia Matthews  
Board Chair

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# OUR FOUNDATION



## 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

## LAND ACKNOWLEDGEMENT

We acknowledge the land we call Alberta is the traditional and ancestral territory of many Alberta indigenous peoples who have lived on and taken care of these lands since time immemorial. We are honored and grateful to share this land.

In the spirit of reconciliation, the AIRB acknowledges our office is located on Treaty six territory, and we respect the histories, languages, and cultures of First Nations, Métis, Inuit, and all First Peoples of Canada, whose presence continues to enrich our vibrant community.

The AIRB is committed to ensuring all Albertans voices and experiences are heard, valued, respected, and celebrated.

### Why Do We Acknowledge the Land?

Land acknowledgments are a traditional protocol to show gratitude and pay respect to the land upon which we are visitors. When used by non-indigenous people, a land acknowledgement is a reminder of the historical narrative of previously erased indigenous voices and their presence. It is one step in the journey moving beyond a performative gesture to truth and reconciliation.

# CHAIR'S MESSAGE



*Patricia Matthews  
Board Chair*

*On behalf of the Automobile Insurance Rate Board (AIRB), I am pleased to present our 2025 Annual Report, detailing our operations for the twelve months ended December 31, 2025.*

I want to begin by acknowledging the passing of our Board Chair, Mr. Jamie Hotte. Jamie played a key leadership role in our organization, helping to shape our strategic direction and vision over the past five years. His guidance and support will be greatly missed as we continue our transition to a Care-First auto insurance system. We're grateful for his many contributions and the lasting impact he had on our work.

This year has been one of transformation and preparation as Alberta moves toward implementing the new Care-First insurance system. The AIRB's role has been to support Treasury Board & Finance to ensure this transition is grounded in stability, fairness, and transparency for drivers across the province. We have worked diligently to uphold public confidence by providing clear regulatory oversight and strengthening consumer education.

Among our key achievements in 2025, the AIRB:

- ★ Advanced the Care-First transition by leading actuarial and analytical work to establish a fair and sustainable pricing framework.
- ★ Engaged with Albertans through expanded consumer education initiatives, including online resources and a targeted awareness campaign to help drivers understand their coverage.

- ★ Monitored market health and affordability, producing research and reports to support informed decision-making by government, industry, and consumers alike.
- ★ Promoted transparency and accountability through open communication and data-driven regulatory decisions.

The auto insurance market continues to face pressures from inflation, escalating repair costs, and the rising severity of bodily injury claims. Despite these challenges, the AIRB has remained steadfast in its mandate to regulate fairly and protect the public interest. Looking ahead, our focus will remain on ensuring Albertans benefit from a stable, accessible, and affordable auto insurance system under Care-First.

The AIRB extends its appreciation to Chris Merriman, the former Superintendent of Insurance, who served as a Board member this year. We are grateful for his insight, leadership, and commitment to advancing fair and transparent insurance regulation in Alberta.

I would like to thank my fellow Board Members, our dedicated staff, and the many interested parties who contributed their time, expertise, and perspectives throughout the year. Together, we are building a stronger, more sustainable insurance system which serves the needs of Albertans today and into the future.

# BOARD GOVERNANCE

## RELATIONSHIP TO GOVERNMENT

In October 2004, the President of Treasury Board and Minister of Finance (Minister) and the Government of Alberta established the AIRB as an independent regulator through the Insurance Act (the Act). The AIRB is responsible for regulating auto insurance rating programs and delivering consumer education on auto

insurance 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

The AIRB make decisions independent of government and according to the enabling legislation and is required to submit this Annual Report along with its annual Business Plan to the Minister.

The AIRB sets goals and objectives as part of the annual business planning process. These goals are the basis upon which accountability and performance are evaluated. Regular meetings are held to exercise its mandate, legislative obligations, and oversee its effective operation and fiscal responsibilities.

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. For more information on our governance processes refer to our [website](#).

The AIRB is comprised of up to 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.

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

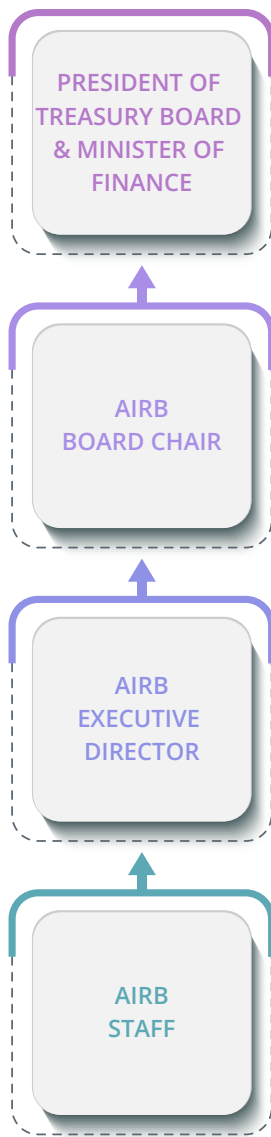


Board Members: Cathy Manten, Patricia Matthews, Vince Vavrek, Rita Lazar-Tippe and Jay Jeworski

# REPORTING & ACCOUNTABILITY

## REPORTING STRUCTURE

- ★ The AIRB operates with nine 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.



## 2024-2025 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.

### CONSUMER AWARENESS ADVERTISING CAMPAIGN



50%

### STAFFING



29%

### ACTUARIAL & CONTRACT SERVICES



14%

### FACILITIES & ADMINISTRATION



6%

### BOARD HONORARIA & EXPENSES



1%

The cost of AIRB's operations for the fiscal year ended March 31, 2025, increased 120 percent over the prior year.

The AIRB levy equates to a cost of 73 cents per vehicle written (private passenger and commercial vehicles), an increase from 36 cents per vehicle in 2024. The AIRB budget was increased by \$1,300,000 for the 2024/2025 fiscal year to include a consumer education campaign. While a significant increase to the AIRB's budget, the cost of this campaign was approximately 37 cents per vehicle.

For the period April 1, 2024 to March 31, 2025

|                                            | 2023/2024<br>ACTUAL | 2024/2025<br>ACTUAL | 2025/2026<br>BUDGET |
|--------------------------------------------|---------------------|---------------------|---------------------|
| <b>REVENUE</b>                             |                     |                     |                     |
| Annual Industry Levy                       | 1,309,000           | 2,609,000           | 2,794,000           |
| Less Accumulated Surplus                   | 63,407              | 166,155             | —                   |
| Add Late Payment Penalties                 | 24,469              | —                   | —                   |
| <b>Net Annual Industry Levy</b>            | <b>\$1,270,062</b>  | <b>\$2,442,845</b>  | <b>\$2,794,000</b>  |
| <b>EXPENSES</b>                            |                     |                     |                     |
| Staffing                                   | 625,277             | 751,116             | 905,825             |
| Facilities & Administration                | 119,530             | 138,167             | 154,914             |
| Consumer Awareness<br>Advertising Campaign | —                   | 1,300,000           | 1,300,000           |
| Actuarial & Contract Services              | 378,159             | 363,124             | 410,275             |
| Board Honoraria & Expenses                 | 44,348              | 22,218              | 22,986              |
| <b>Total Expense</b>                       | <b>\$1,167,314</b>  | <b>\$2,574,625</b>  | <b>\$2,794,000</b>  |
| <b>Surplus/ (Deficit)</b>                  | <b>\$102,748</b>    | <b>(\$131,780)</b>  | <b>—</b>            |
| Accumulated Surplus Beginning              | 63,407              | 166,155             | 34,375              |
| <b>Accumulated Surplus End</b>             | <b>\$166,155</b>    | <b>\$34,375</b>     | <b>\$34,375</b>     |

## 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 auto 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*

*For two decades, the Automobile Insurance Rate Board (AIRB) has served Albertans by regulating auto insurance rating programs with a focus on fairness, transparency, and accountability. We have also made strides in advancing consumer education about auto insurance through our new consumer-facing website and outreach through social and traditional media.*

Our work in 2025 has been defined by transition. Alberta is preparing for the new Care-First insurance system, and the AIRB has been focused on supporting the Government in the transition while ensuring drivers' voices are heard in shaping the future of auto insurance.

## AIRB RE-ORGANIZATION

To better serve Albertans, we restructured our organization by creating two new manager-led teams. The Rate Review & Analytics team now oversees regulation of rating programs, market analysis, and data-driven analysis and reporting to ensure pricing is fair and compliant. Meanwhile, the Education & Engagement team leads public education, consumer engagement, and industry communications—helping Albertans better understand a complex insurance system.

This reorganization enables succession planning within all levels of the organization while expanding our complement staffing for both rate review and data analytics.

The AIRB extends its appreciation to Lucas Liu, who departed the organization this year. As a valued member of the Rate Regulation team, Lucas made meaningful contributions to our work, and we wish him continued success in his future endeavours.

## EXCESS PROFIT REVIEW

In 2025, the AIRB completed its first Excess Profit Review—a new responsibility under our mandate. The results showed a weighted industry average return on premium (ROP) of -19.96% for the 2024 accident year.

While this reflected significant catastrophic weather events and restrictions under the Good Driver Rate Cap, it underscored the urgent need for auto insurance reform in Alberta.

## CONSUMER EDUCATION

We also made strides in consumer education. This year we updated the Rating Profiles used in our comparative rating tool, available on our [website](#). This tool allows Albertans to compare premiums based on typical coverage profiles. By harmonizing these profiles with other regulators nationally, we've improved efficiency and comparability across jurisdictions.

The AIRB launched a newsletter, hosted webinars, and expanded online resources to make insurance clearer and more accessible. Our 2025 Market and Trends Report highlighted the challenges facing the market today: rising repair costs, more severe bodily injury claims, and the growing impact of extreme weather on claims costs.

## NATIONAL PARTNERSHIPS

The AIRB actively participates in national organizations related to the collection and reporting of the data needed to perform our statutory duties, as well as the pursuit of continuous improvement and implementation of best practices for rate regulation.

- ★ The General Insurance Statistical Agency (GISA): As the appointed statistical agent for Alberta, GISA is a key data source for the AIRB annual review, market analysis and reporting. 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 the insurance industry and Albertans.

We are hearing more from Alberta consumers about difficulty obtaining coverage, like comprehensive and collision, as insurers change their underwriting practices to avoid additional losses. Availability is just as important as affordability as financed or leased vehicles need full coverage to satisfy their lender requirements. We are hopeful the upcoming reforms will stabilize the market for consumers and return availability to the market.

- ★ The Canadian Automobile Insurance Rate Regulators Association (CARR): As an active member, the AIRB remains informed of market trends and innovations in the auto insurance industry and rate regulation. We work with other rate regulators to address current and potential regulatory challenges and work together to find common solutions where practical. The AIRB promotes information sharing and engages CARR members on projects aligned with AIRB priorities.

## TRANSITION TO CARE-FIRST

Looking forward, a major focus will be developing the pricing framework for Care-First. This reform will fundamentally change how auto insurance works in Alberta. The AIRB will support the work of Treasury Board and Finance to ensure the system is fair, transparent, and sustainable.

Auto insurance will continue to evolve with the times, but one constant remains: the AIRB's commitment to act in the public interest.

*As former Prime Minister Lester B. Pearson once said, "The public interest comes before all else." At the AIRB, principle continues to guide every decision we make on behalf of Albertans.*

# INSURANCE EDUCATION & ENGAGEMENT

The AIRB's insurance education efforts are designed to make auto insurance more transparent, understandable, and responsive to Albertans, ensuring drivers are not just policyholders but informed participants in the system.

We launched our second consumer awareness campaign in the Fall of 2025 to continue reaching out to Alberta drivers. We saw a slight uptick in awareness of

the AIRB after our last campaign, but many Albertans are still not aware of the resources available to them through the AIRB. It is more important than ever for Albertans to know where to go if they are having issues with shopping a difficult insurance market.

## ANNUAL CONSUMER PERCEPTIONS SURVEY

Understanding the needs and concerns of Albertans is central to the AIRB's mandate of ensuring a healthy marketplace with affordable, accessible insurance for all.

The 2025 Consumer Perceptions survey found more Albertans who strongly or moderately agree their automobile insurance premiums are "fair and reasonable" increased by ten points from 29% in 2024 to 39% in 2025. This improvement in consumer sentiment is somewhat unexpected, however two consumer protection initiatives helped soften the impact:

- ★ Good Driver Rate Cap limiting rate hikes for drivers meeting certain criteria, and

- ★ The AIRB policy restricting insurers from implementing average premium increases exceeding 10% in a 12-month period.

The survey also found Albertans increased concern physical damage coverages (including collision and comprehensive) are becoming harder to obtain the market. This poses a significant problem for drivers who finance or lease their vehicles as lenders typically require these protections.

## EDUCATIONAL WEBINARS

In 2025, the AIRB held several insurance education webinars on timely topics including:

- ★ Auto Theft and Fraud Trends
- ★ Direct Compensation for Property Damage (DCPD)
- ★ Alberta's Transition to Care-First Auto Insurance
- ★ Impact of Advanced Driver Assistance Systems on Safety and Insurance

- ★ Understanding a Driver's Abstract
- ★ What does it mean to "Care-First"?

Upcoming webinars can be found on our [industry website](#). These events are free and open to all Albertans.

## MEDIA APPEARANCES

The AIRB was called-upon by a number of media outlets this year to comment on the state of the market and the upcoming transition to Care-First. We see these appearances as opportunities to educate Albertans and provide tips on shopping the market. While shopping the market is difficult right now with the

Good Driver Rate Cap in place, there are still potential savings by comparison shopping. Our consumer-facing website, [AIRBforDrivers.ca](#) offers a shopping guide and worksheet to help Albertans navigate the insurance market.

# RATE REGULATION & TREND REPORTING

The AIRB's mandate includes regulation of auto insurance rating programs and the collection and reporting on industry trends. The AIRB monitors and reports on industry trends in several ways including:

1. Semi-annual reviews of private passenger vehicles (PPV) and annual review of commercial vehicles. The annual review for PPV includes an open meeting held in August and a report on Consumer Perspectives from the Consumer Representative.
2. Semi-annual market trends reporting. The AIRB also monitors industry trends and developments to inform the Government of Alberta and other industry participants on trends and our analysis of market performance. These reports include our evaluation of affordability, accessibility, and service quality through monitoring relevant indicators influenced by Alberta drivers' knowledge, competition, and industry trends.

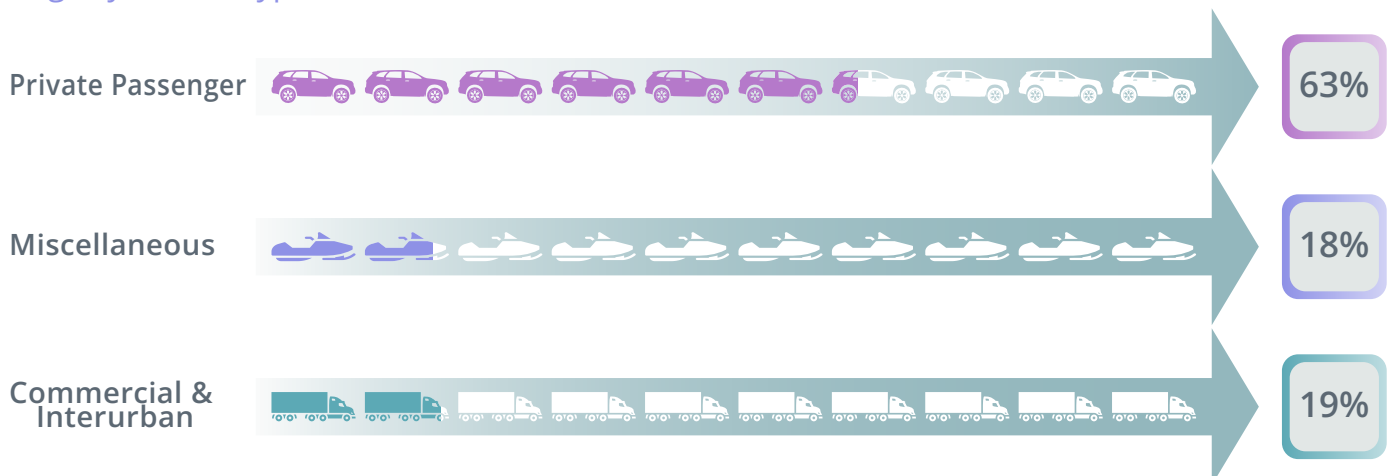
## FILING DECISIONS

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 ensures 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 or file and use approval. The AIRB tracks the volume of filing decisions by vehicle type as one indicator of market sustainability.

In 2025, 91% 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. Effective October 1 the threshold aligns with the 2026 Good Driver Rate Cap rate increase limit.

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



## ACTIVE AUTOMOBILE INSURANCE COMPANIES

Direct Written Premium ('000's) for 2024 <sup>1</sup>

| Name of Insurance Company                   |         | Name of Insurance Company                                |           |
|---------------------------------------------|---------|----------------------------------------------------------|-----------|
| AIG Insurance Company of Canada             | 16,566  | <b>Intact Financial Insurance Group</b>                  |           |
| Alberta Motor Association Insurance Company | 241,030 | Belair Insurance Company Inc.                            | 239,012   |
| Alberta Municipal Insurance Exchange        | 1,200   | Intact Insurance Company                                 | 1,154,384 |
| Allianz Global Risks US Insurance Company   | 78      | Royal & Sun Alliance Insurance Company of Canada         | 312       |
| <b>Allstate Canada Insurance Group</b>      |         | Unifund Assurance Company                                | 833       |
| Allstate Insurance Company of Canada        | 306,796 | Liberty Mutual Insurance Company                         | 14,038    |
| Pembridge Insurance Company                 | 131,600 | Lloyd's Underwriters                                     | 29,717    |
| American Road Insurance Company             | 2,559   | Mennonite Mutual Insurance Co. (Alberta) Ltd.            | 17        |
| Arch Insurance Canada Ltd.                  | 1,417   | Millennium Insurance Corporation                         | 57,423    |
| <b>Aviva Canada Inc. Insurance Group</b>    |         | National Liability & Fire Insurance Company              | 3,112     |
| Aviva General Insurance Company             | 58,370  | <b>Northbridge Financial Corporation Insurance Group</b> |           |
| Aviva Insurance Company of Canada           | 266,713 | Federated Insurance Company of Canada                    | 33,315    |
| Elite Insurance Company                     | 16,743  | Northbridge General Insurance Corporation                | 215,648   |
| S&Y Insurance Company                       | 1,299   | Tokio Marine & Nichido Fire Insurance Co., Ltd.          | 681       |
| Traders General Insurance Company           | 86,528  | Zenith Insurance Company                                 | 4,989     |
| Canadian Farm Insurance Corp.               | 8,331   | Old Republic Insurance Company of Canada                 | 12,822    |
| <b>Chubb Insurance Group of Canada</b>      |         | Optimum West Insurance Company Inc.                      | 9,608     |
| Chubb Insurance Company of Canada           | 37,902  | Peace Hills General Insurance Company                    | 198,669   |
| Mitsui Sumitomo Insurance Company, Limited  | 753     | Portage la Prairie Mutual Insurance Company, The         | 46,685    |
| Continental Casualty Company                | 21,893  | Protective Insurance Company                             | 1,445     |
| <b>Co-operators Insurance Group, The</b>    |         | Sentry Insurance A Mutual Company                        | 61        |
| Co-operators General Insurance Company      | 649,202 | SGI CANADA Insurance Services Ltd.                       | 121,975   |
| Cumis General Insurance Company             | 16,395  | Sompo Japan Insurance Inc.                               | 393       |
| Sovereign General Insurance Company, The    | 33,323  | Starr Insurance & Reinsurance Ltd.                       | 1,880     |
| <b>Definity Insurance Group</b>             |         | <b>TD Insurance Group</b>                                |           |
| Definity Insurance Company                  | 316,102 | Primum Insurance Company                                 | 287,202   |
| Sonnet Insurance Company                    | 46,150  | Security National Insurance Company                      | 669,013   |
| <b>Desjardins General Insurance Group</b>   |         | TD Home and Auto Insurance Company                       | 15,056    |
| Certas Direct Insurance Company             | 28,872  | <b>Travelers Insurance Group</b>                         |           |
| Certas Home and Auto Insurance Company      | 313,447 | Dominion of Canada General Insurance Company, The        | 84,972    |
| Personal Insurance Company, The             | 186,526 | St. Paul Fire and Marine Insurance Company               | 2,048     |
| Echelon Insurance                           | 39,275  | Travelers Insurance Company of Canada                    | 14,548    |
| Everest Insurance Company of Canada         | 2,227   | Unica Insurance Inc.                                     | 1,512     |
| Fenchurch General Insurance Company         | 6,102   | Wawanesa Mutual Insurance Company, The                   | 791,223   |
| Fortress Insurance Company                  | 284     | XL Specialty Insurance Company                           | 694       |
| Genesis Reciprocal Insurance Exchange       | 3,843   | Zurich Insurance Company Ltd.                            | 31,299    |
| Hartford Fire Insurance Company             | 425     |                                                          |           |

<sup>1</sup> Based on the written premium for the AIRB's 2025 cost recovery.





### **Automobile Insurance Rate Board**

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