



Consumer Perspectives on Automobile Insurance

2021

Consumer Perspectives on Automobile Insurance

June 25, 2021

Mathew Wesolowski, Consumer Representative

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June 25, 2021

Charlene Butler
Board Chair
Automobile Insurance Rate Board
Suite 2440, 10303 Jasper Avenue
Edmonton, AB T5J 3N6

Dear Ms. Butler:

In my capacity of the Automobile Insurance Rate Board's (AIRB) Consumer Representative, I have conducted an independent and impartial review of consumer opinions and perspectives on automobile insurance in the province of Alberta. Consumers are a valued stakeholder in the insurance industry. Without the consumer the industry would not exist and because automobile insurance coverage is mandatory in Alberta the consumers' views and opinions are critical. My review and this report is to ensure that consumers are adequately represented and have a voice.

The review encompassed a variety of relevant issues pertaining to the availability and affordability of automobile insurance. The views expressed in this report are those of Alberta consumers. A synopsis of consumer comments is included based on surveys conducted by an independent research company and the undersigned.

Please accept the following as my report to the AIRB, and I look forward to discussing my findings on August 19, 2021 at the Annual Review Meeting.

Sincerely,

Mathew Wesolowski
Consumer Representative



Mathew Wesolowski
Consumer Representative

Automobile Insurance Rate Board

The President of Treasury Board and Minister of Finance (Minister) and the Government of Alberta formed the Automobile Insurance Rate Board (AIRB) through the Insurance Act, as an independent regulatory board in 2004. The AIRB is responsible for regulating automobile insurance rating programs for all classes of vehicles for both basic and additional coverage in Alberta and the provision of automobile insurance information to enable consumers to make informed choices.

The Consumer Representative

In accordance with the Insurance Act, the Minister appoints a Consumer Representative to represent Albertans and ensure they have a voice when the AIRB is carrying out its mandate.

Since the first appointment, in 2004, the role of the Consumer Representative has sought to engage Albertans on topical issues related to automobile insurance including information relevant to other ministries, such as traffic safety.

Mathew Wesolowski is a retired senior insurance executive with over 38 years' experience in the insurance industry, most recently as Alberta Motor Association Insurance Company's Chief Operating Officer. He has extensive experience with consumer organizations responding to members' needs and concerns.

Over the tenure of his career, Mathew has been involved with numerous boards and committees including Insurance Bureau of Canada (IBC) Board of Directors, IBC Alberta Committee, and IBC National Personal Lines Committee. He has presented at numerous insurance industry conferences and seminars.

Mathew holds a Bachelor of Science with a major in psychology and a Bachelor of Law. He has held positions of Chief Privacy Officer, Chief Compliance Officer, Chief Anti Money Laundering Officer and Whistle Blower Officer.



Preface

The AIRB's vision is for automobile insurance to be accessible, equitable, and sustainable for all Albertans. The AIRB monitors industry trends and developments to inform its board members, and ensure consideration of all variables in the decision-making process. The Consumer Representative's role is to represent the consumer's voice in all decisions made by the AIRB.

The AIRB is required under Section 9 of the Automobile Insurance Premiums Regulation to conduct an annual review of automobile insurance trends and premiums relating to

basic and additional coverage for private passenger vehicles. The AIRB is required to provide the Minister with an annual report, which must include a report from the AIRB Consumer Representative.

The purpose of this report is to provide an overview of consumer perspectives in Alberta automobile insurance, as determined through the survey conducted in 2021. The report also explores how the perspectives of Albertans changes year-to-year and evaluates correlations between consumer knowledge and quantitative market data.

Survey Methodology

In 2021, the AIRB contracted the services of Y Station to collect data to assess consumer awareness and perceptions regarding insurance rates over the past year. Refer to Appendix A for a full copy of their report.

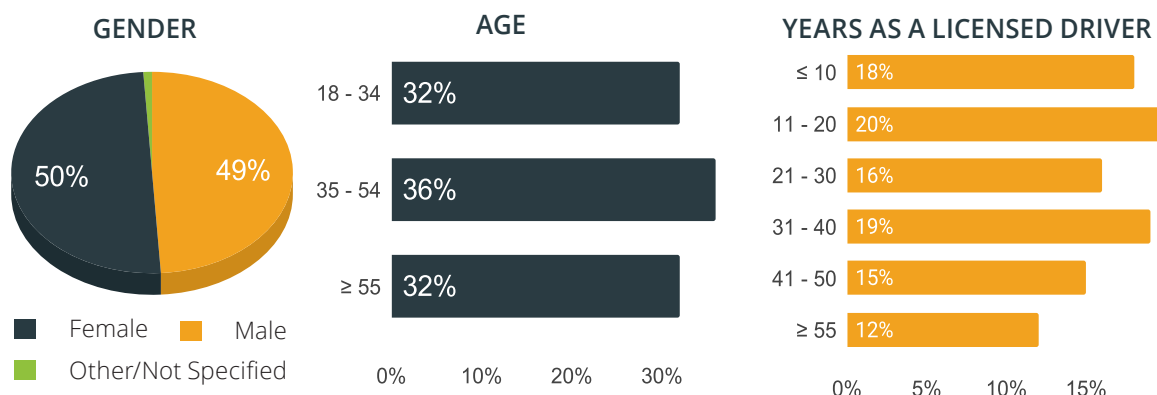
Prior to 2019, we primarily collected data through telephone surveys supplemented by small focus groups and individual telephone interviews. Starting in 2019, the AIRB changed the collection process, focusing mainly on an online panel survey through social media supplemented by a small number of telephone surveys and focus groups. In 2020, the AIRB continued to focus on the online surveys and telephone surveys but did not host focus groups. For 2021, we continued this approach with an increased sample size, along with online focus groups hosted by the AIRB. As a result of the different data collection methods, comparisons with data from prior years could be influenced.

For 2021, Y Station mainly obtained consumer feedback through an online panel survey, marketed via social media. All participants

had to be at least 18 years of age, responsible for the purchase of vehicle insurance for their household's private passenger vehicles and their vehicle must be for on-road use. Further, all participants had to declare they do not work in marketing research, news media, the insurance industry, for the Superintendent of Insurance or the AIRB. The surveys included both quantitative and qualitative questions in order to collect data comparable to previous years without restricting the voice of Albertans.

To ensure the survey sample was statistically representative of Albertan's opinions, Y Station closely monitored the demographics. They established quotas to ensure at least 200 online panel surveys were completed in each of the locations: Edmonton, Calgary, cities outside of Greater Calgary and Edmonton, and rural. Other monitored demographics included gender, age, and years of driving experience. The total number of respondents for the 2021 survey was 1,109, with 1,030 respondents to the online panel survey and 79 respondents to the telephone survey.

DEMOGRAPHICS OF ALL SURVEY RESPONDENTS



Consumer Expectations

Legislation requires drivers carry a minimum limit of basic coverage (third party liability and accident benefits) in order to operate a motor vehicle. Given automobile insurance is mandatory, consumers have expectations regarding their insurance coverage options:



AFFORDABILITY

- ★ Premiums are equitable and accurately align with the risk profile of the driver and the cost to provide the coverage.



STABILITY

- ★ Consumers do not experience significant increases in insurance premiums unless changes have occurred in their risk profile, such as claims or convictions.



ACCESSIBILITY

- ★ Insurance is available to all drivers, regardless of their risk profile.
- ★ Consumers have varying options of insurers and coverages to meet their specific needs.
- ★ Insurers provide coverage to all drivers without placing obstacles in the purchase process.



CUSTOMER SERVICE

- ★ Insurance professionals are well educated and trained in order to assist consumers in understanding their coverage needs, changes to their premiums and ensuring they are adequately insured.
- ★ Insurers settle claims fairly and expediently.

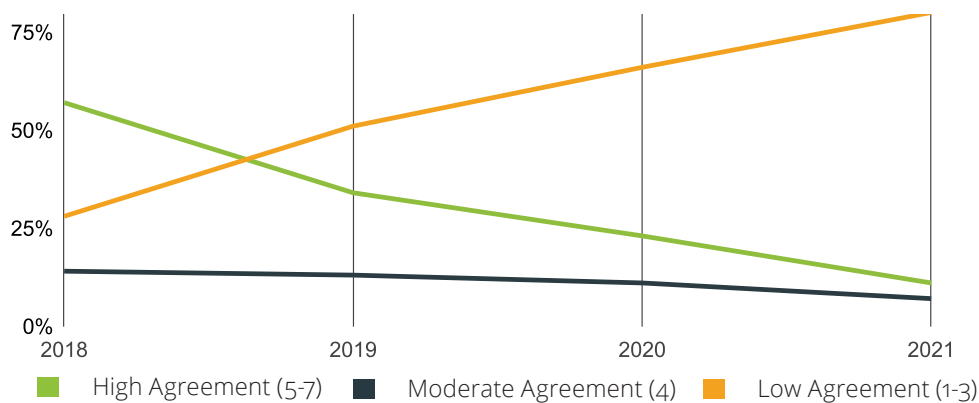
Survey Results

PREMIUMS

The survey collected the consumer's level of agreement with the statement **"Automobile insurance premiums are fair and reasonable."** We found the percentage of consumers surveyed who indicated a high

level of agreement their premiums are fair and reasonable has decreased significantly since 2018, decreasing from 57% to 11%.

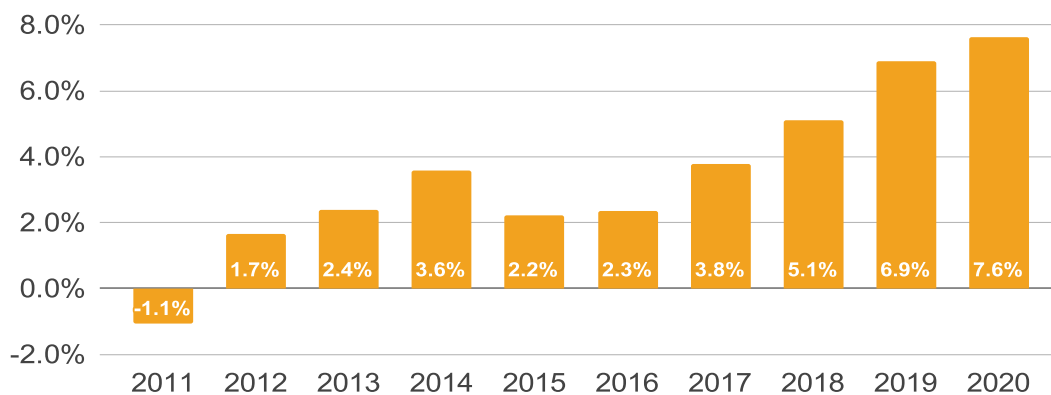
AUTOMOBILE INSURANCE PREMIUMS ARE FAIR AND REASONABLE



When asked: **"Were you aware that some Alberta drivers are facing increases in insurance premiums?"** eighty nine percent, stated they were aware. The results signify most consumer's perspectives accurately align

with the market data; the AIRB has seen higher than average increases to average premiums in previous years. In 2020, Alberta experienced the largest yearly increase in the average automobile insurance premium.

CHANGE IN AVERAGE PREMIUMS BY YEAR

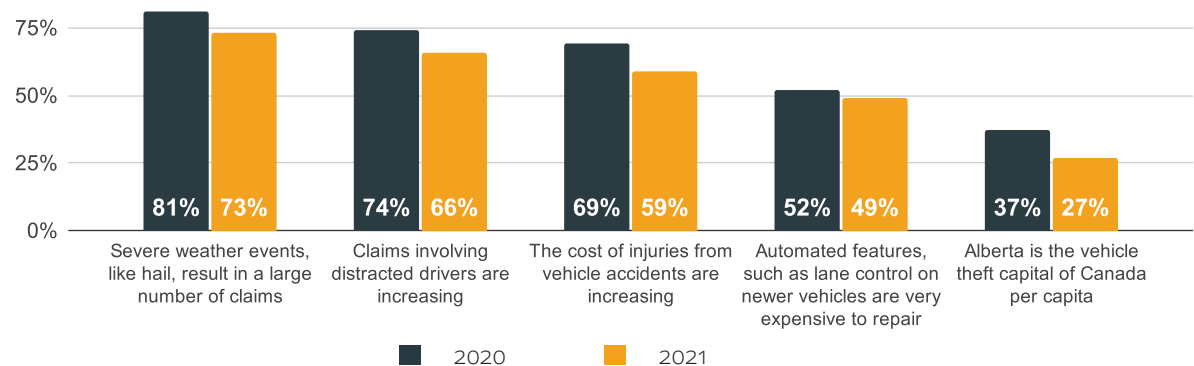


Source: GISA 2020 - Auto-1005-AB

With consumers experiencing larger than average increases to premiums in recent years, the 2020 and 2021 surveys included a new question regarding factors contributing to the increasing insurance rates in Alberta. When asked: **“Were you aware the following factors contribute to the rising cost of insurance?”** Many Albertans demonstrated a

high level of awareness for some of the factors contributing to increased rates; however, other factors were relatively unknown to Albertans. When evaluating the results moving from 2020 to 2021, consumer awareness in factors contributing to increased insurance costs decreased.

AWARENESS OF FACTORS CONTRIBUTING TO THE RISING COSTS OF INSURANCE

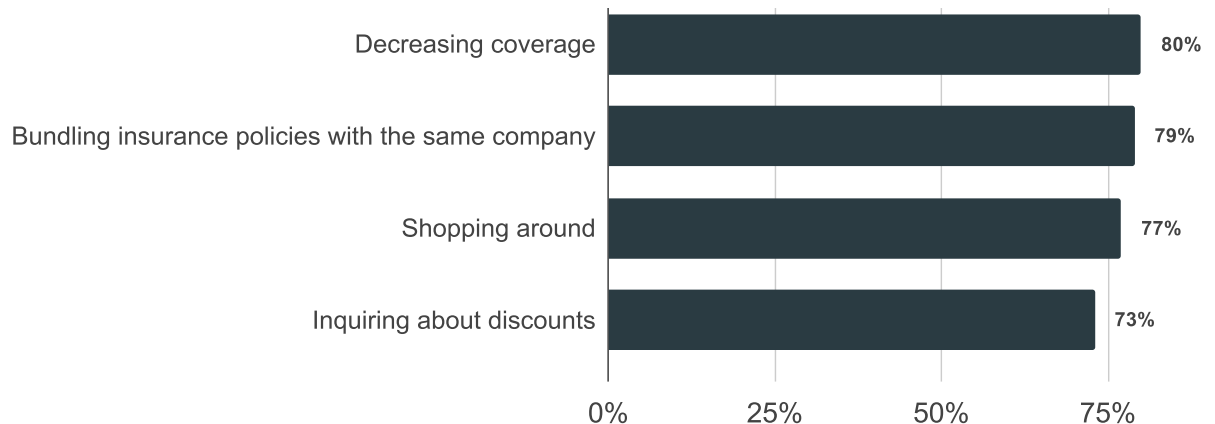


Note: Respondents could select multiple responses

For the 2021 survey, we added a new question to evaluate awareness about options consumers have for reducing their insurance premiums. When asked: **“Before today, were you aware the following actions could reduce your vehicle insurance?”** most

consumers demonstrated awareness for the actions listed, while a number of consumers indicated they were not aware of the actions they could take towards reducing their premiums.

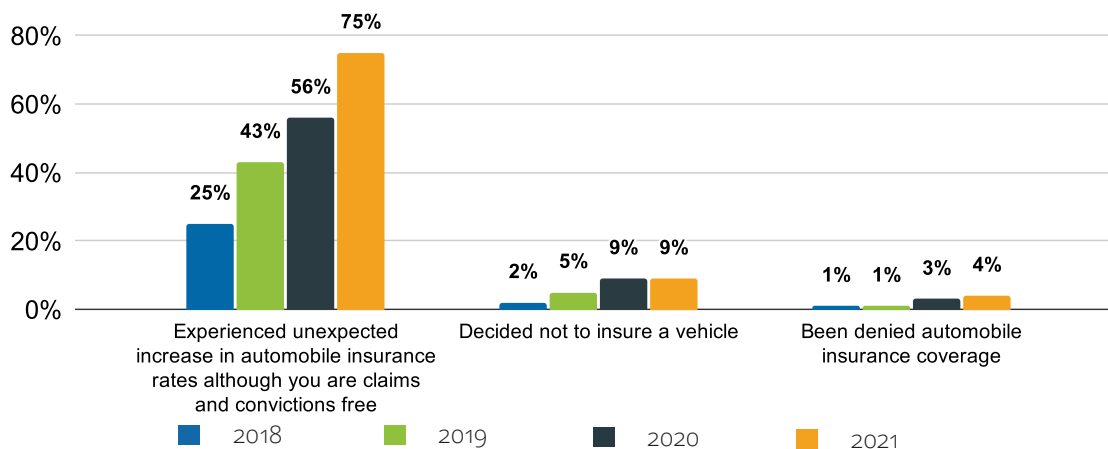
AWARENESS OF ACTIONS THAT COULD REDUCE PREMIUMS



The survey also explored consumers' experiences with rate changes, expectations regarding rate changes, purchasing behaviour and decisions made. We asked consumers if any household members had a specific experience or made a specific decision about

their insurance in the last two years. Notably, 75% of consumers indicated they experienced an unexpected increase in automobile insurance rates although they are claims and convictions free.

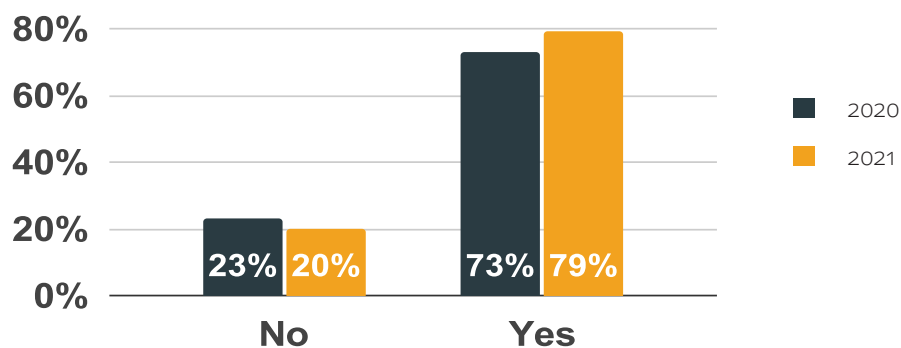
CONSUMER EXPERIENCE AND DECISION MAKING



With average premiums increasing and more consumers experiencing rate increases, an additional new question was included in the 2020 and 2021 Consumer Perception Surveys to determine what source of information consumers rely on regarding rate changes. We asked this question to evaluate the quality and consumer satisfaction with the information provided to them. A significant portion of consumers looked to their broker or agent to provide information as to why their premiums were increasing; however, the survey

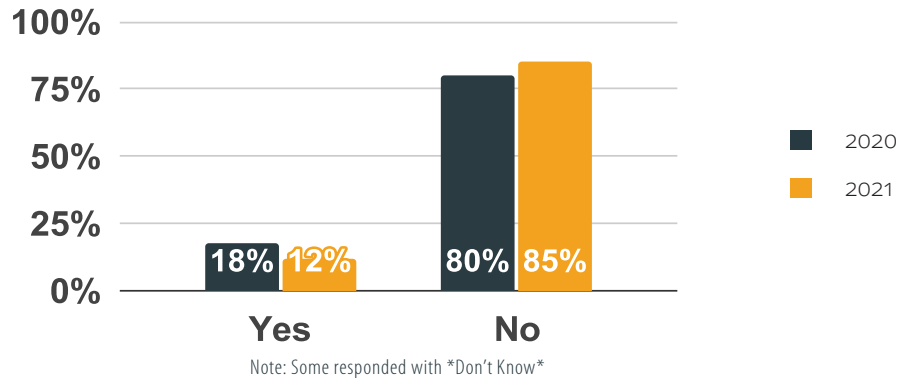
results indicated the information provided by brokers and agents was not sufficient. Of those consumers who experienced rate increases in 2021, 79% contacted their broker or agent for an explanation and only 12% of those who contacted their broker or agent felt they received a satisfactory explanation. When comparing the results from the last 2 years, the data suggests more consumers are seeking explanations for rate increases, while consumers are becoming less satisfied with the explanations.

CONSUMERS THAT CONTACTED THEIR BROKER OR AGENT FOR AN EXPLANATION AS TO WHY THEIR PREMIUMS INCREASED



Note: Some responded with *Don't Know*

CONSUMERS THAT FELT THEIR BROKERS OR AGENT PROVIDED A SATISFACTORY EXPLANATION AS TO WHY THEIR PREMIUMS INCREASED

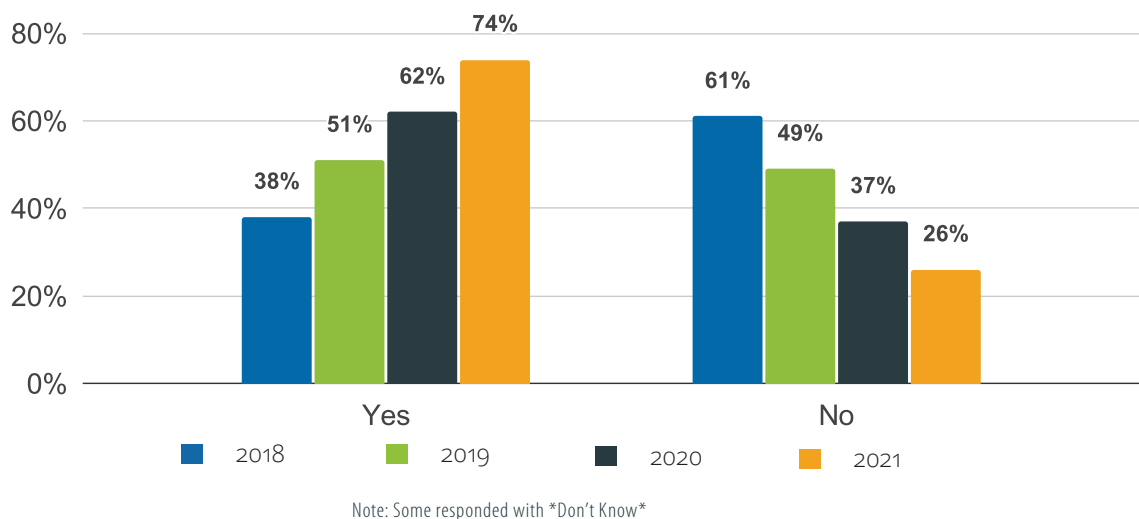


PURCHASE BEHAVIOUR

Alberta has a competitive insurance market with 44 individual insurers actively offering private passenger vehicle coverage, with each insurer providing unique coverage and pricing options. The AIRB indicated they have seen an increased number of consumers inquiring about premium increases. The AIRB continues to assist consumers in a number of ways including understanding what is the cause of their increases and encouraging them to obtain competitive quotes.

The survey asked, **“At any time in the past 2 years, have you sought competitive quotes?”** The results indicated in the past two years, consumers have been seeking competitive quotes more frequently than previous years. Seventy-four percent of consumers sought competitive quotes for vehicle insurance in past two years.

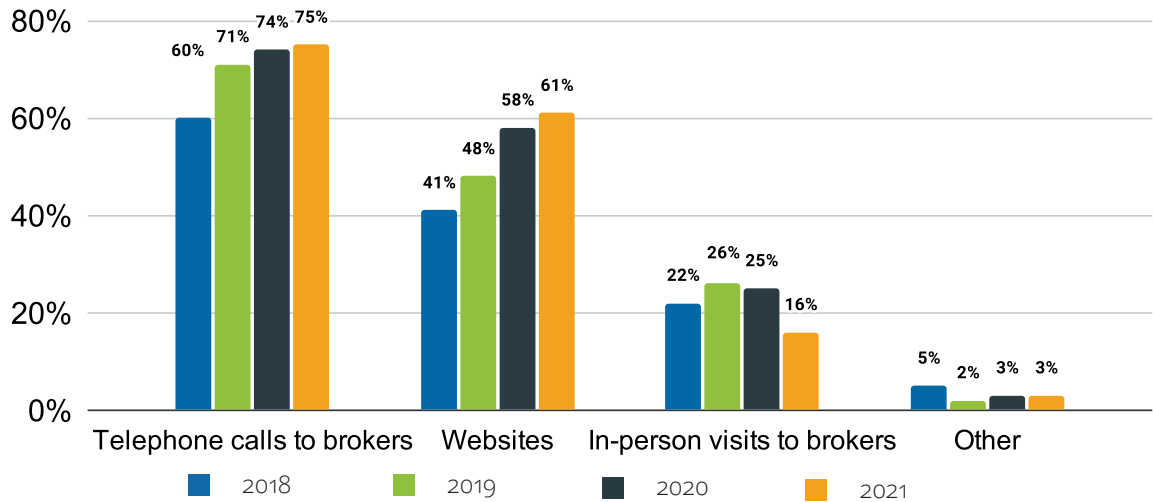
CONSUMERS THAT SOUGHT COMPETITIVE QUOTES IN THE PAST TWO YEARS



To evaluate consumer purchase behaviour, the survey also asked respondents, **“Where did you get these competitive quotes?”** Results indicated the most common methods for obtaining vehicle insurance quotes was calling brokers and visiting websites, which provide insurance quotes. Both methods of obtaining

vehicle insurance quotes saw increases in 2021, with a higher percentage of consumers utilizing both methods. It is important to note restrictions and changes in shopping habits due to COVID-19 likely influenced the method of obtaining quotes in 2021.

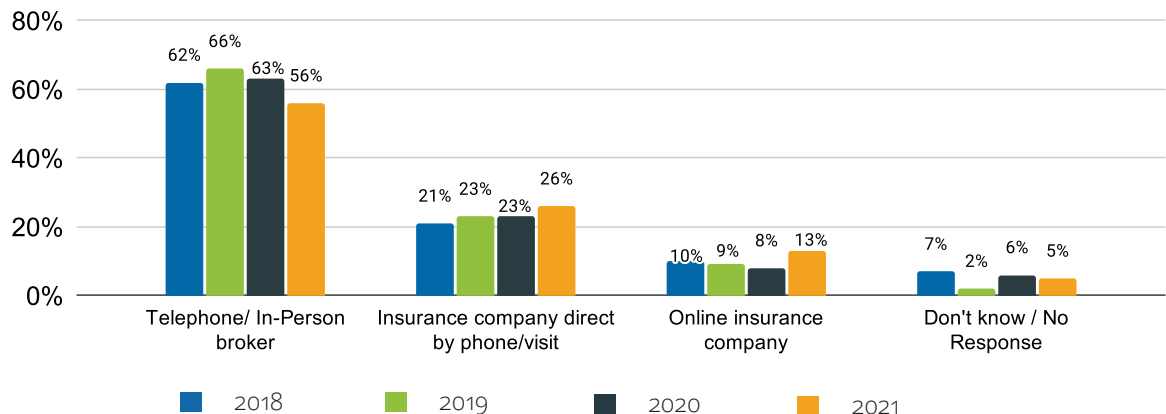
METHOD OF OBTAINING QUOTES



We asked consumers who sought competitive quotes before purchasing: **“When you made your decision to purchase insurance what method did you use?”** Consumer purchase methods for this group have remained

consistent over the previous 4 years. It is important to note restrictions and changes in shopping habits due to COVID-19 likely influenced the method of purchase in 2021.

METHOD OF PURCHASE DECISION



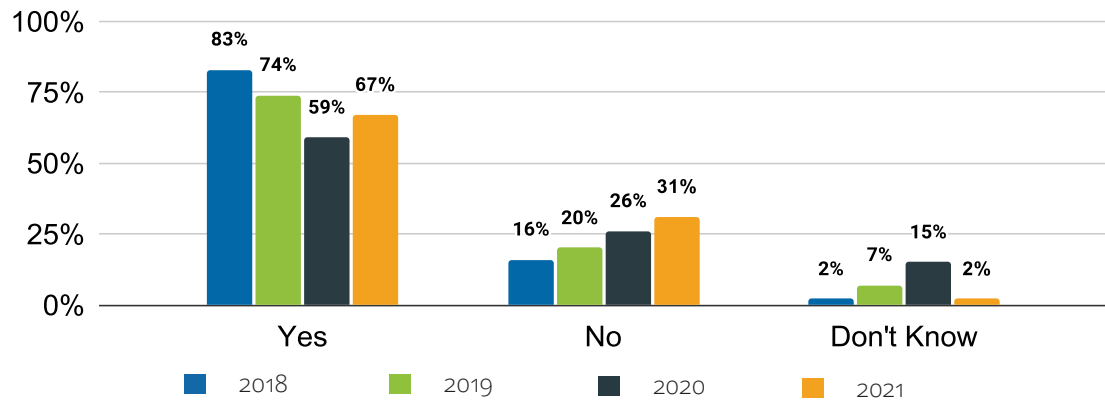
CLAIMS

One of the ways in which consumers measure the value of their insurance policy is the level of service they receive through the claims process. The survey explored the number of consumers who made a claim and their experiences during the claims process.

Of the consumers surveyed, when asked, **“Have you had a collision in the last**

6 years, for which you claimed from insurance for medical treatment?” we found, 5% of respondents answered “yes”, and of those 67% stated they were able to access sufficient medical treatment for their injuries; this number has varied in the recent 4 years, ranging from 83% in 2018 to 59% in 2020.

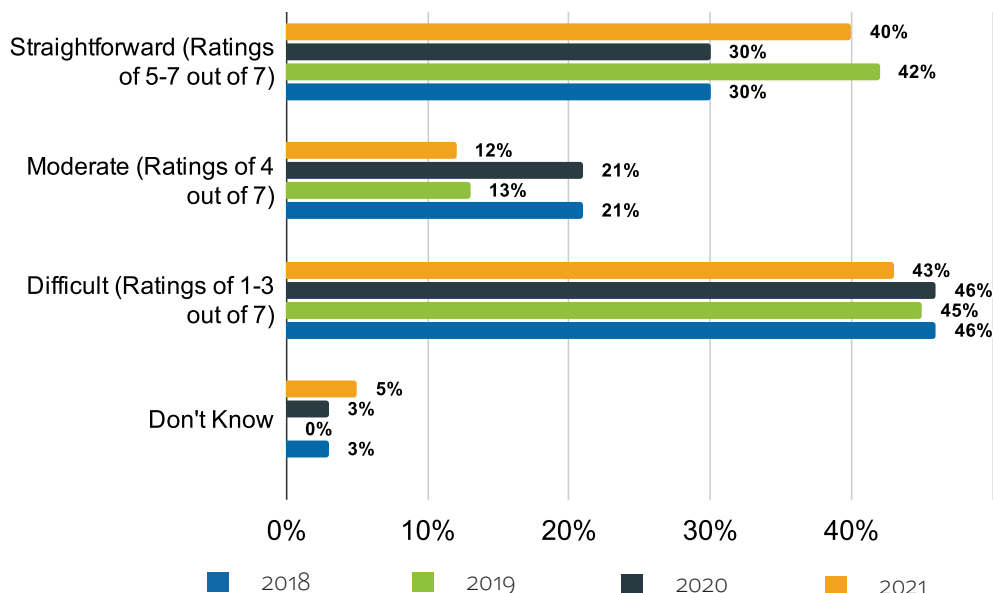
RESPONDENTS THAT WERE ABLE TO ACCESS APPROPRIATE MEDICAL TREATMENT FOR INJURIES SUSTAINED IN A COLLISION



Of the consumers surveyed, when asked, **“Have you had a collision in the last 6 years, for which you claimed from insurance for injury compensation?”** we found 4% of respondents answered “yes” and of those 40%

stated their experience making and settling a claim for compensation of injuries was straightforward; this number has increased from 30% in 2020.

EXPERIENCE MAKING A CLAIM AND SETTLING THE CLAIM



Other Factors

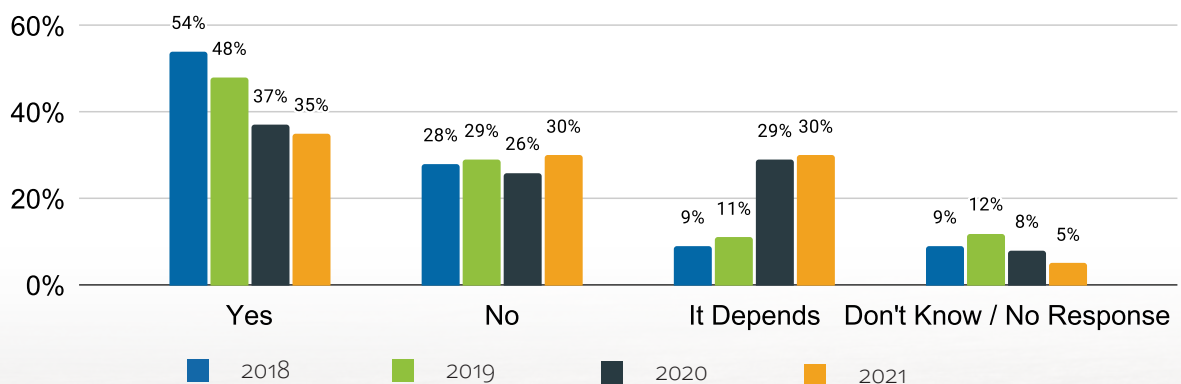
There are several other factors influencing the premiums a consumer pays for vehicle insurance, and the perceptions consumers have which formed part of the survey including usage based insurance, pay-as-you-go insurance, and COVID-19.

USAGE BASED INSURANCE

Usage based insurance (UBI) is a program offered in Alberta allowing a driver the opportunity to receive a discount based on their individual driving behaviors, reducing insurance premiums for those drivers demonstrating safe driving behaviors. The driver maintains a base rate; however, the driver's premium may be reduced based on parameters such as time driven, kilometers driven, GPS data, speeding, hard braking and time of day.

In 2021, 35% of respondents indicated they would consider signing up for UBI. Interest in UBI has decreased year-over-year from 54% in 2018. The number of drivers responding with "It depends" increased to 30% in 2021, from 9% in 2018, with most common responses citing it would depend on cost/discount, level of privacy, and the need for more information.

INTEREST IN USAGE BASED INSURANCE

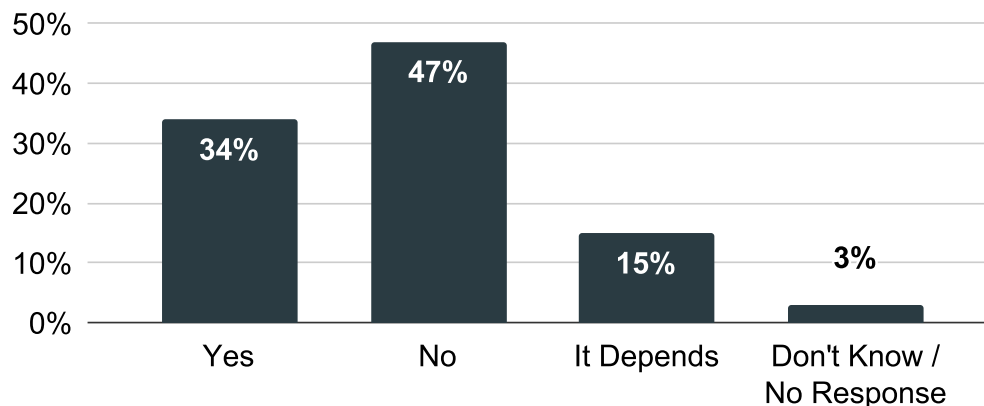


Hello

For the 2021 survey, the AIRB added a new question to regarding UBI. We asked consumers: **“Would your answer to the previous question change if you knew you would pay more if you demonstrated unsafe driving behaviours?”** Thirty-four percent

of respondents indicated their answer would change, and a number of consumers said it depends on cost, how driving behaviours are measured, and the criteria/eligibility.

INFLUENCE OF SURCHARGE ON INTEREST IN USAGE BASED INSURANCE



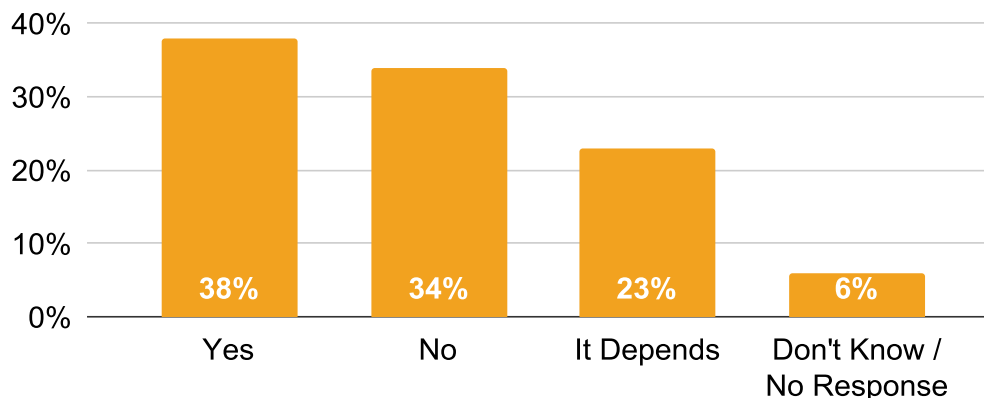
PAY-AS-YOU-GO INSURANCE

We added a question to the 2021 survey, regarding pay-as-you-go insurance. This is another form of UBI, where instead of paying a fixed monthly fee, drivers pay based on the number of kilometers they drive. Pay-as-you-go is designed for low-mileage drivers, such as those who utilize public transit frequently or retirees. Currently, insurers within the Province of Alberta do not offer pay-as-you-go coverage options.

We asked consumers: **“Would you consider signing up for pay-as-you-go insurance for you and/or other drivers in the household if insurance companies offered it to you?”**

Thirty-eight percent of respondents indicated they would consider signing up for pay-as-you-go insurance. Those who responded “it depends” cited cost, how driving behaviours are measured, and the criteria/eligibility as the primary variables.

INTEREST IN PAY-AS-YOU-GO INSURANCE

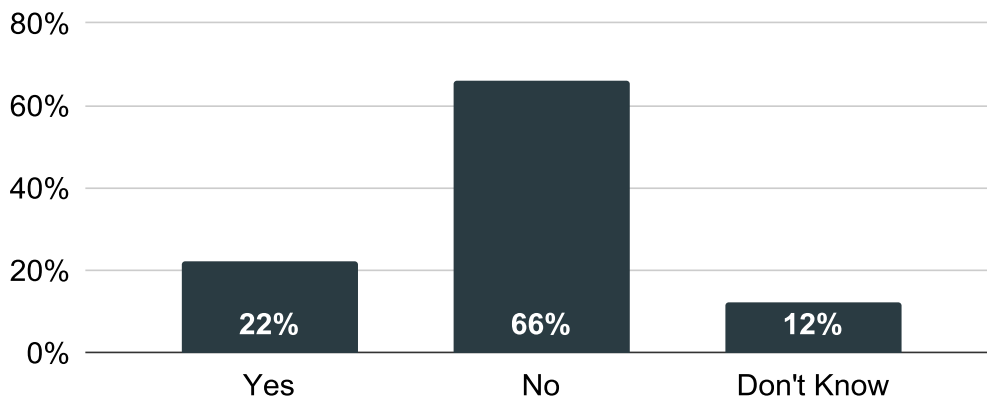


COVID-19

During the pandemic, some drivers in Alberta reduced or changed their driving habits. Drivers always have the option to adjust their automobile insurance policy, such as changing commuting distance, reducing or removing coverage, and some Alberta drivers adjusted their insurance policies because of the pandemic. Some insurers in Alberta offered additional support during the pandemic by offering additional payment/premium relief measures. For the 2021 survey,

we asked consumers: **“Do you agree, during the pandemic, you were able or had the opportunity to have your premiums adequately adjusted to accommodate for your driving habits.”** Sixty-six percent of respondents indicated they disagree with the statement, and only 22% of respondents felt they had the opportunity to have their premiums adjusted to reflect new driving habits.

COVID-19 PREMIUM ADJUSTMENT OPPORTUNITIES

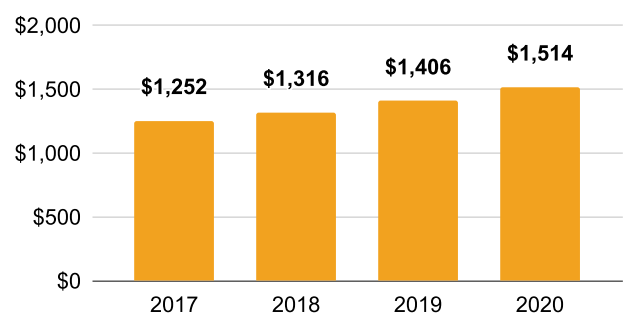


Premium Comparisons

ALBERTA PREMIUM

The average annual premium for a private passenger vehicle in 2020 was \$1,514; this has increased from \$1,406 in 2019, representing the largest yearly increase in premiums over the last ten years. The increases in average premium are attributed to the significant increases in cost of basic coverage.

AVERAGE ANNUAL PREMIUM



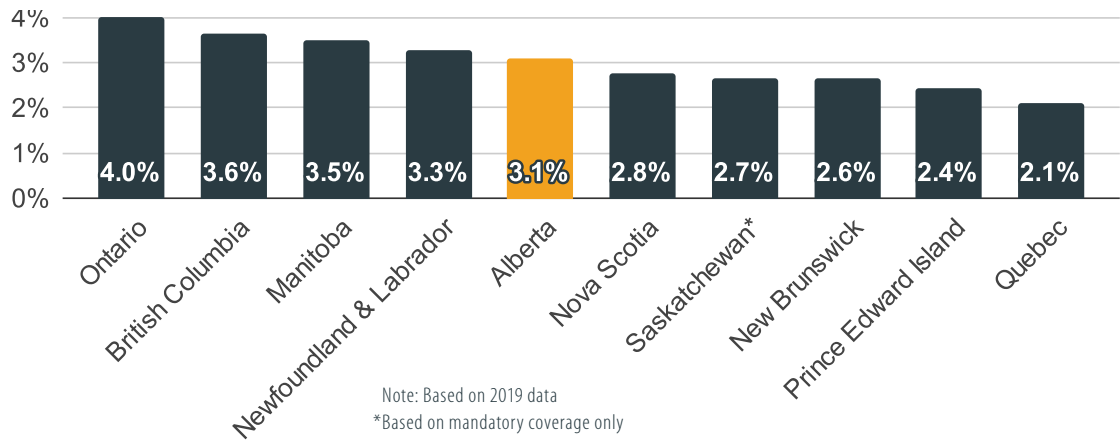
Source: GISA 2020 - Auto-1005-AB

PROVINCIAL PREMIUM COMPARISON

When comparing vehicle insurance premiums with other provinces, the AIRB benchmarks the percentage of individual after-tax income Albertans spend on the average insurance premium.

The average individual after-tax income spent on vehicle insurance premiums in Alberta is 3.1%, slightly above of the 3.0% average of all the provinces included in the comparison.

AVERAGE PREMIUM AS A PERCENT OF INDIVIDUAL AFTER-TAX INCOME BY PROVINCE



Sentiments observed from the consumer surveys are not solely heard in Alberta. Many common themes regarding consumer perceptions on automobile insurance exist across Canada. The Residents' Reference Panel in Ontario created recommendations around multiple themes, many of which, aligning with observations in the Alberta automobile insurance market:

- ★ Confidence in the system is low;
- ★ Greater transparency is needed;
- ★ Drivers should be given the opportunity to reduce their premiums; and
- ★ Innovation, which lower costs, enhance choice, and develop safer driving behaviors should be adopted.

Consumer Purchase Behavior

Survey results suggest increasing concerns regarding affordability and consumer frustration. Affordability issues resulting in the number of individuals purchasing less insurance coverage and the number of individuals driving without insurance can have a significant societal impact.

The AIRB has seen a decrease in convictions for no insurance from April 1, 2016 to March 31, 2020. There is an increase in the percentage of consumers purchasing over \$1,000,000 in liability coverage from 2015 to 2019, however,

there is a slight decrease in the percentage of consumers who opt to purchase collision coverage. From 2016 to 2020, the percentage of consumers who purchased collision coverage decreased from 73.83% to 72.66%. Affordability is not the only factor in the decision to purchase collision coverages. Many consumers are required to carry collision coverages for financial agreements and consumers may choose to remove collision coverage as their vehicle depreciates.

Focus Groups

In 2021, the AIRB held four online focus groups, each with separate target demographics: seniors, youth, urban and rural. In total, there were 22 focus group participants, with 12 male and 10 female attendees. We invited participants ensuring appropriate geographic representation throughout Alberta.

In each focus group, attendees participated in an open discussion on their opinions on automobile insurance in Alberta. We asked a number of questions pertaining to automobile insurance. Some key sentiments observed in the focus groups were:

- ★ Focus group participants more often agreed with the statement “Automobile Insurance Premiums Are Fair and Reasonable”, than those who responded in the online and phone surveys.
- ★ Most participants felt automobile insurance was reasonably understandable, citing insurance professionals and online resources as adequate resources for information. Some respondents expressed frustration with fine print in the policy and industry specific language in the policy.
- ★ Participants want increased transparency on how rates are determined.
- ★ A number of participants felt the time required to shop around for the lowest rate on automobile insurance was too much of a burden.
- ★ Most participants expressed interest in participating in usage based insurance or pay-as-you-go options if it could lower their rates, they could be assured the driving data collected was accurate and the data would be kept private. Many participants expressed concern for the capabilities of usage based insurance technology. Most participants in the focus groups stated they would only sign up for UBI if they could earn a discount, without the possibility of surcharges.
- ★ Most participants believe the penalties for distracted driving are too low and agree insurers can surcharge for distracted driving. Most participants thought there should be greater enforcement of the distracted driving laws.
- ★ Participants in the youth group felt using gender as a rating variable could be discriminatory and more information needs to be shared on how it is predictive of risk.

How are the Survey Results Used

The AIRB values the input received from consumers through the annual survey. The Consumer Representative shares the aggregate results with other government departments, as relevant to their work, and considers the consumer's viewpoint in the review of filings and new initiatives.

As part of the AIRB mandate, the AIRB ensures consumers have access to the information they need to facilitate informed choices regarding automobile insurance. In this year's survey, consumer responses suggest insurance is becoming a bigger concern. Consumers indicated they were experiencing unexpected increases in premiums more often than previous years and they are interested in more information regarding automobile insurance. Consumers also indicated they were

not satisfied with the information currently available to them by their insurers, brokers or agents. This is an area the AIRB believes consumers would benefit from – an increased understanding of vehicle insurance, coverages, and the factors affecting their premium.

The AIRB 2021-2024 Business and Operational Planning documents include strategies to improve the overall level of understanding of insurance amongst consumers along with enhancing stakeholder engagement. The AIRB will continue to work with stakeholders to ensure clear consistent information is available, including information regarding product changes.

My Observations

Consumers are experiencing unexpected increases in their premiums despite having no claims and convictions. Only 11% of consumers surveyed agreed their premiums were fair and reasonable, a significant decrease year over year (23% in 2020). Increases to premium have led to increased frustration for Alberta drivers which is evidenced by the nature and tone of consumer correspondence received by the AIRB during the last year. More consumers are seeking competitive quotes than in previous years and given the large number of insurers in Alberta; this is encouraged by the AIRB.

Consumers confirmed they find automobile insurance to be a complex product. Most would value access to additional educational resources in order to assist them in making informed decisions. Although the AIRB has many resources available on its website, many consumers are not aware of the AIRB, or what our role is. Through the focus groups, we were able to connect with consumers, share information and connect them to resources which will aid in understanding the factors to be considered in purchasing vehicle insurance. In addition, the AIRB utilizes the design of the questions in its surveys to serve as a medium to provide education.

Appendix A

Y Station Report – AIRB 2021 Public Perception Survey



AIRB 2021 Public Perception Survey

February 22, 2021

Study Background and Methodology

Since 2008, Y Station has conducted the Alberta Automobile Insurance Rate Board (AIRB) Consumer Awareness and Perception Survey (“Consumer Survey”). To assess any potential changes in consumer awareness and perception regarding insurance rates over the past year, the AIRB repeated the Consumer Survey in 2021.

For the 2021 version of the survey, Y Station conducted a total of 1,109 surveys with Albertans who reported managing automobile insurance for their household’s private passenger vehicles. An online survey (n=1,030) and a telephone survey (n=79) were used as the methodology. To ensure that their representation in the sample was proportionate to their representation in the Province, each geographical region was associated a weight for analysis purposes.

Executive Summary – Purchasing Behaviour

- Three quarters of respondents (74%; a significant increase from 62% in 2020) reported obtaining competitive quotes at any time in the past 2 years, prior to making a decision about which company to purchase insurance from.
- Those who sought competitive quotes before purchasing their insurance (n=732) most frequently made telephone calls to brokers (75%).
- Over half (56%) of those who sought competitive quotes decided to purchase insurance via telephone/in person with a broker.
- With regards to respondent loyalty to their policy and/or company in the past 2 years¹:
 - 73% of all respondents **remained with their existing carrier**;
 - 44% of all respondents **obtained a new policy**; and
 - 28% of all respondents **switched insurance companies**.

Executive Summary - Perceptions on Automobile Insurance

75% reported having **experienced an unexpected increase in insurance rates although they have no claims and convictions** (a significant increase from 56% in 2020);

9% **decided not to insure a vehicle** (consistent with 9% in 2020); and

4% **reported having been denied automobile insurance coverage** in the past 2 years (comparable to 3% in 2020).

11% respondents (a significant decrease from 23% in 2020) agreed their insurance premiums are fair and reasonable. 89% were aware that some Alberta drivers are facing increases in vehicle insurance premiums.

Over one-third of respondents (35%; comparable to 37% in 2020) would consider signing up for usage-based insurance. 38% would consider signing up for pay-as-you-go insurance.

Executive Summary – Convictions, Winter Tires, and COVID-19

76% of respondents were aware driving convictions could affect their vehicle insurance premiums to the extent that they do.

73% of respondents agreed drivers who install winter tires on their vehicle or vehicles should receive a discount on their vehicle insurance policy.

While 86% of respondents were aware the vehicle they drive can greatly affect their vehicle insurance premiums, only 35% agreed that the cost of vehicle insurance factored into their final purchase decision.

22% of respondents agreed, during the pandemic, they were able or had the opportunity to have their premiums adequately adjusted to accommodate for their driving habits during the pandemic?

Executive Summary – Household Insurance Profile

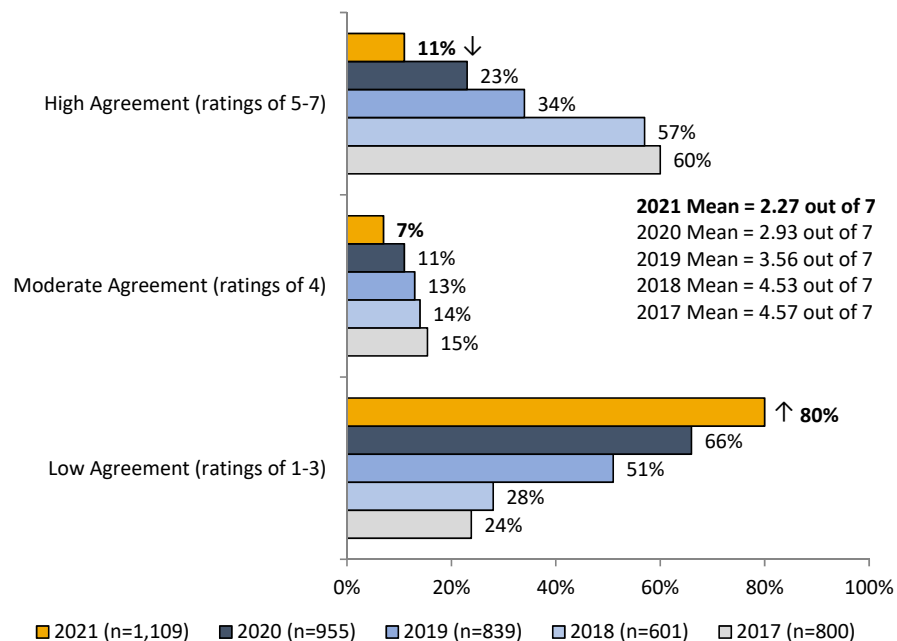
15% of respondents were involved in a motor vehicle accident in the past two years.

Of those who were involved in any motor vehicle accidents in the past two years (n=130):

- 15% indicated someone in their household had been involved in a **collision with another vehicle** in the past 2 years and did not report a claim (comparable to 12% in 2020);
- 12% indicated someone in their household had been involved in a **collision not involving another vehicle** and did not report a claim (consistent with 2020);
- 11% indicated someone in their household had experienced a **non-collision incident** (e.g., property damage caused by fire, theft, hail, or vandalism) and did not report a claim; and
- 80% of respondents reported their household had not made any at-fault claims in the past 6 years, while 16% had made one (1) claim.

Perceptions of Automobile Insurance

Level of agreement, given your personal circumstances, your vehicle insurance premiums are fair and reasonable, and reflect your driving habits and the type of vehicle driven?



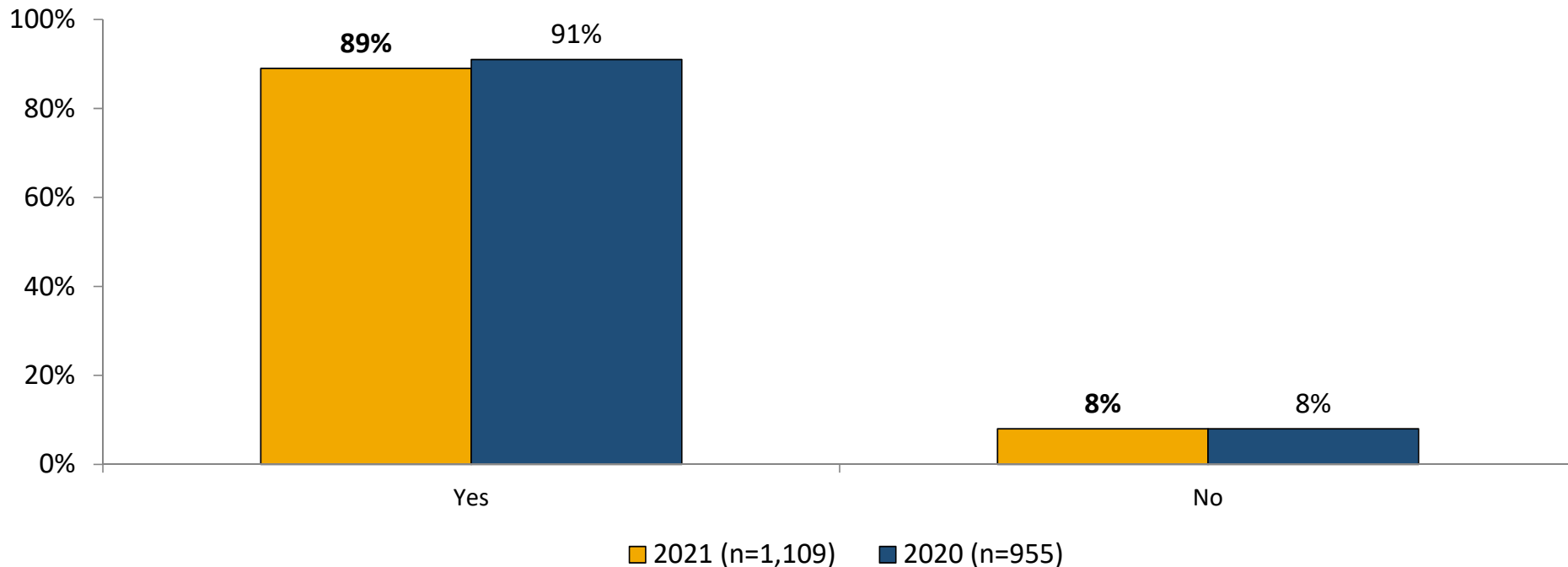
↑↓ Indicates a significant increase or decrease from 2020

Using a scale of 1 to 7, how strongly do you agree that, given your personal circumstances, your automobile insurance premiums are fair and reasonable?

	Percent of Respondents				
	2021 (n=1,109)	2020 (n=955)	2019 (n=839)	2018 (n=601)	2017 (n=800)
(7) Completely agree	3	5	12	14	11
(6)	3	6	8	20	21
(5)	5	11	14	24	28
(4)	7	11	13	14	15
(3)	16	18	15	12	11
(2)	16	18	13	7	4
(1) Do not agree at all	48	31	23	9	10
Don't Know/Not Stated	1	1	2	1	1
Mean	2.27 out of 7	2.93 out of 7	3.56 out of 7	4.53 out of 7	4.57 out of 7

Perceptions of Automobile Insurance

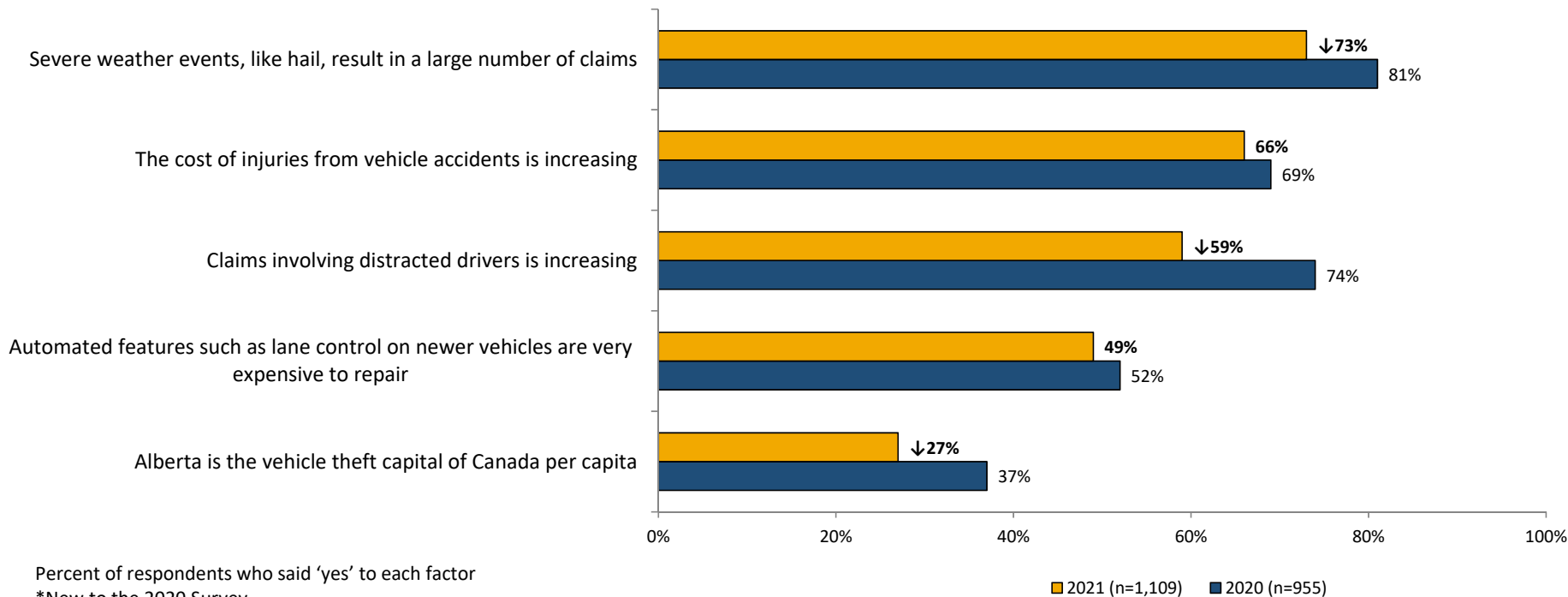
Were you aware some Alberta drivers are facing increases in vehicle insurance premiums?*



*New to the 2020 survey

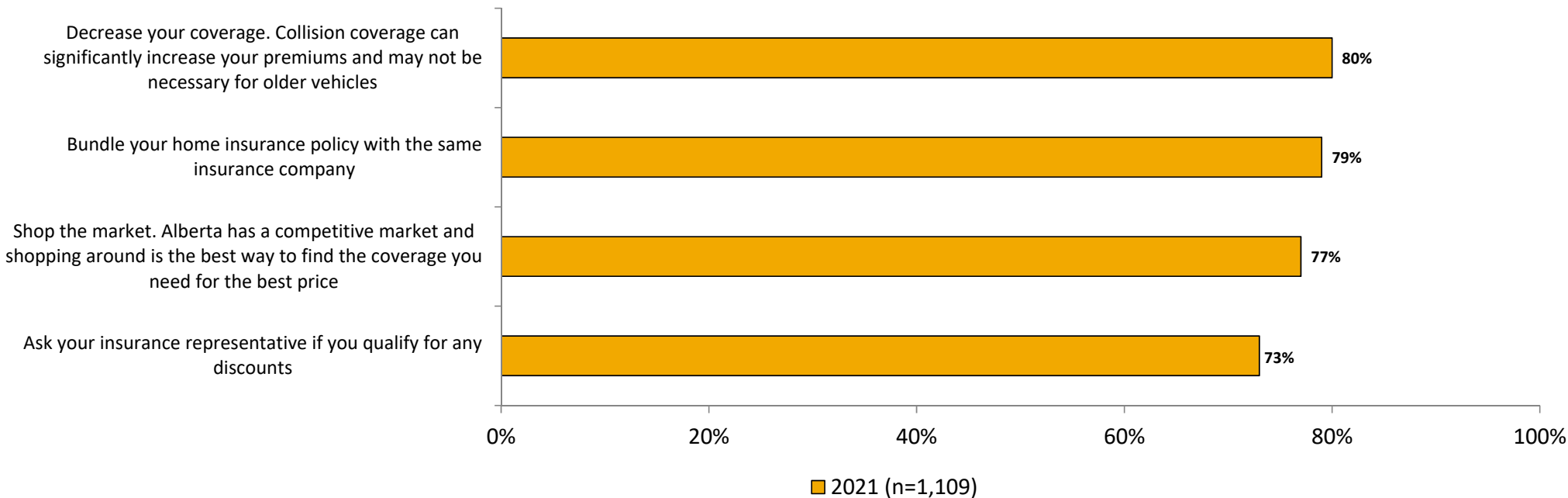
Perceptions of Automobile Insurance

Were you aware the following factors contribute to the rising cost of insurance?*



Reducing Automobile Insurance

Before today, were you aware the following actions could reduce your vehicle insurance?*

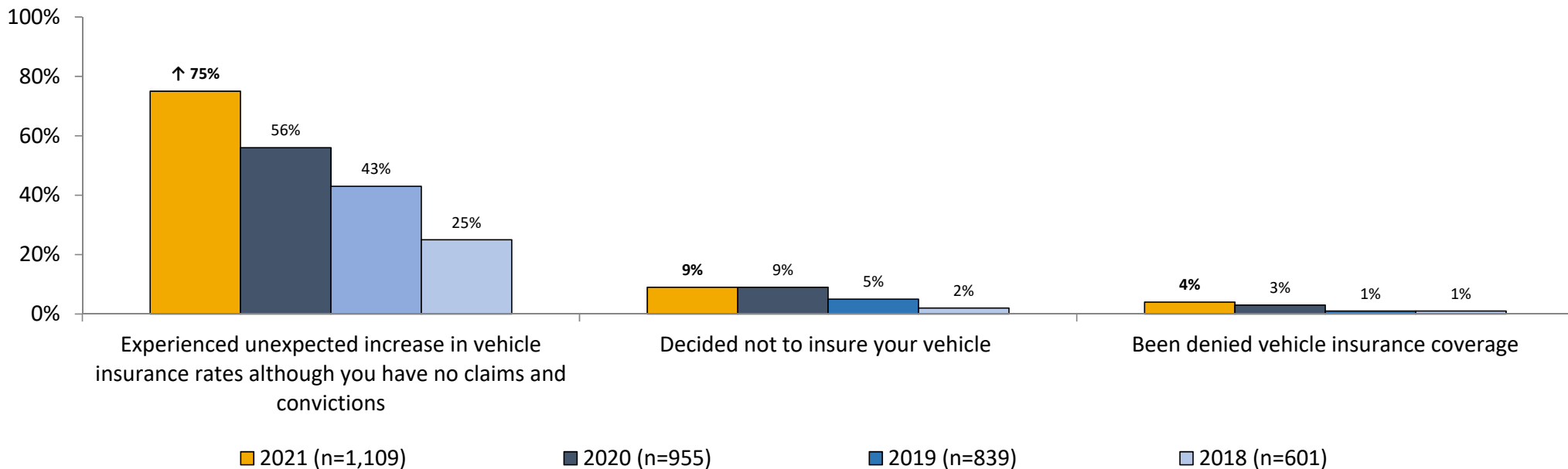


Percent of respondents who said 'yes' to each factor

*New to the 2021 survey

Perceptions of Automobile Insurance

In the last 2 years, have you, or anyone else in your household...?

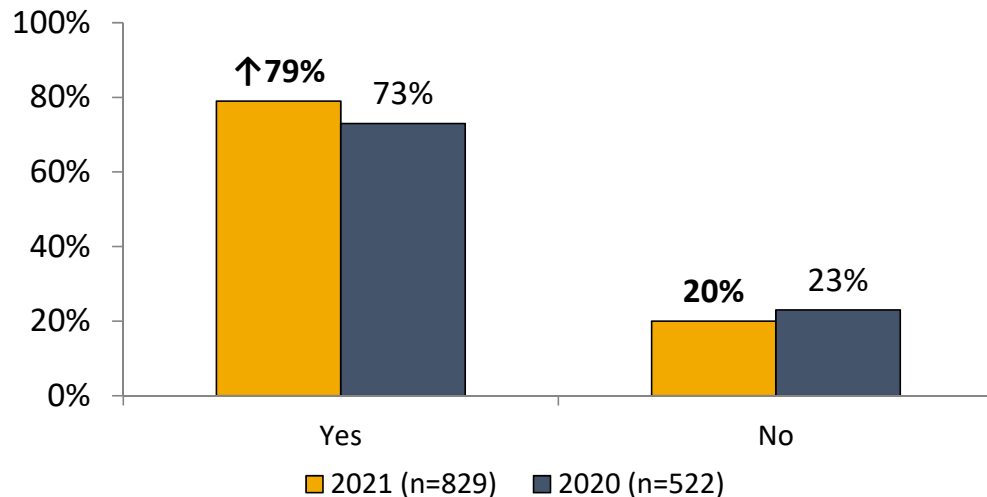


Percent of respondents who said 'yes' to each factor

↑ Indicates a significant increase from 2020

Perceptions of Automobile Insurance

Did you contact your broker or agent for an explanation as to why your premium increased?*

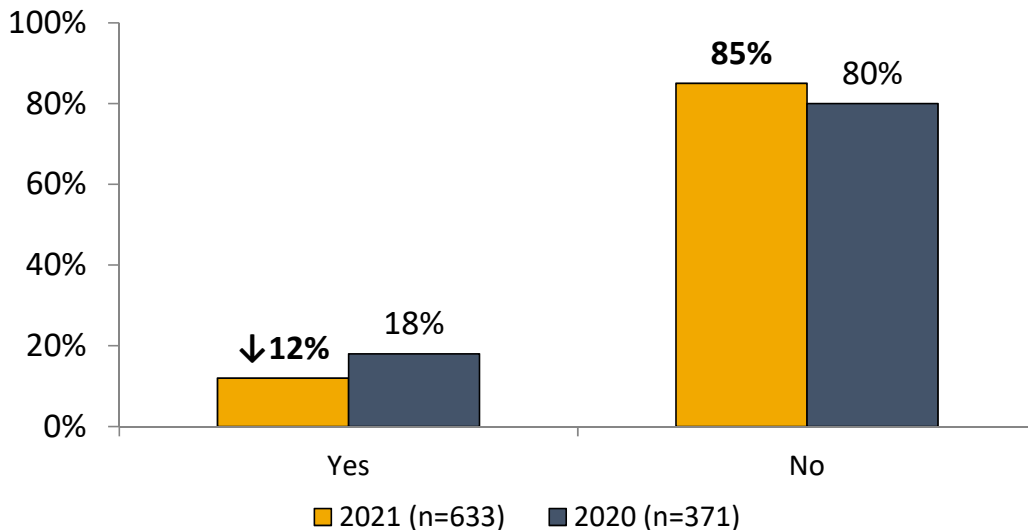


*New to the 2020 survey

Base: Respondents that experienced unexpected increase in vehicle insurance rates although have no claims and convictions

↑ Indicates a significant increase from 2020

Did your broker or agent provide you with a satisfactory explanation as to why your premium increased?*



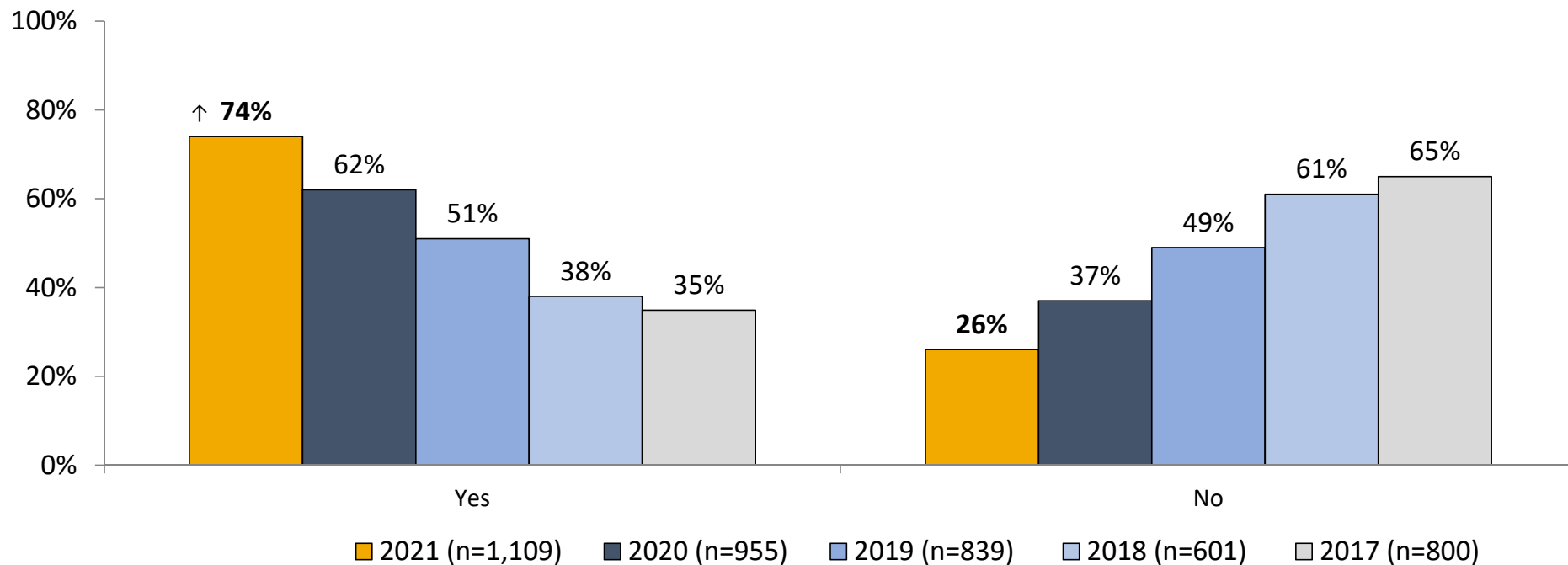
*New to the 2020 survey

Base: Respondents that contacted their insurance representative for an explanation as to why their premium increased

↓ Indicates a significant decrease from 2020

Purchasing Behaviour

At any time in the past 2 years, have you sought competitive quotes?



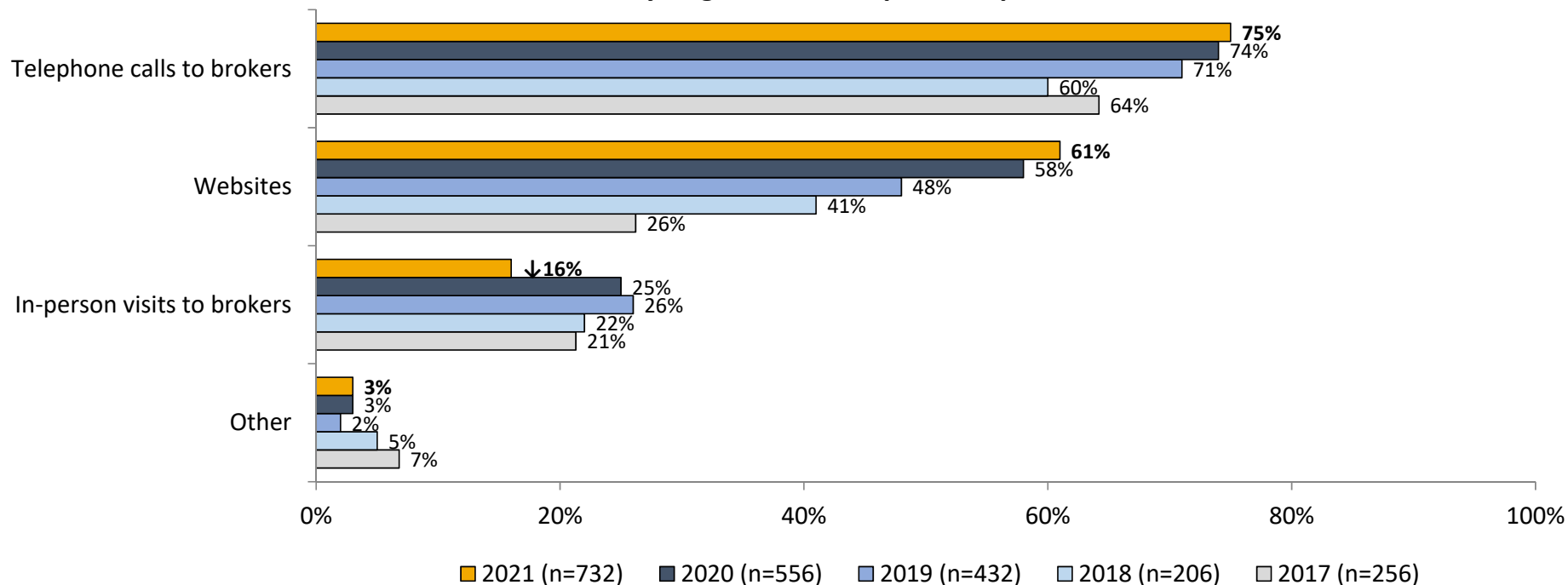
↑ Indicates a significant increase from 2020

Purchasing Behaviour

How many quotes did you obtain while shopping for insurance?							
Base: Respondents who sought competitive quotes before purchasing automobile insurance	Percent of Respondents						
	2021 (n=732)	2020 (n=556)	2019 (n=432)	2018 (n=206)	2017 (n=256)	2016 (n=222)	2015 (n=212)
One (1) quote	8	10	7	15	10	10	9
Two (2) to four (4) quotes	65	72	80	78	83	83	84
Five (5) or more quotes	25	16	12	7	5	5	5

Purchasing Behaviour

Where did you get these competitive quotes?*



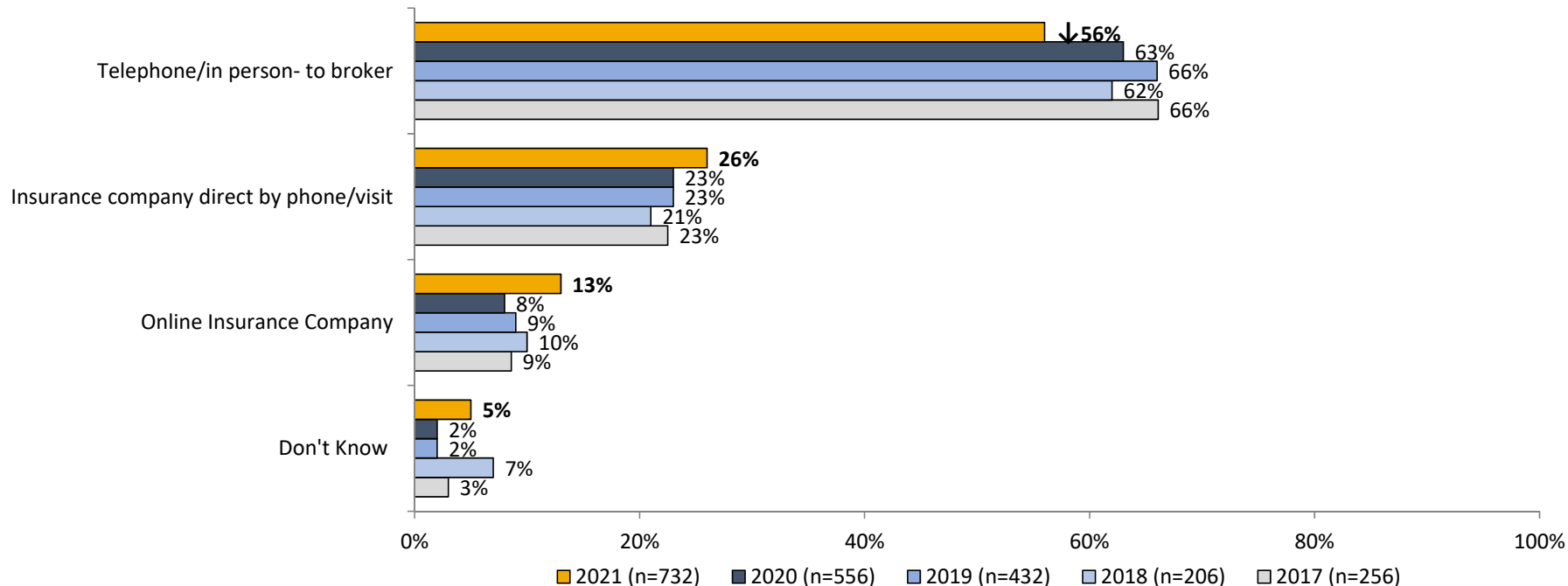
Base: Respondents who sought competitive quotes before purchasing automobile insurance

*Multiple Responses

↓ Indicates a significant decrease from 2020

Purchasing Behaviour

When you made your decision to purchase insurance what method did you use?

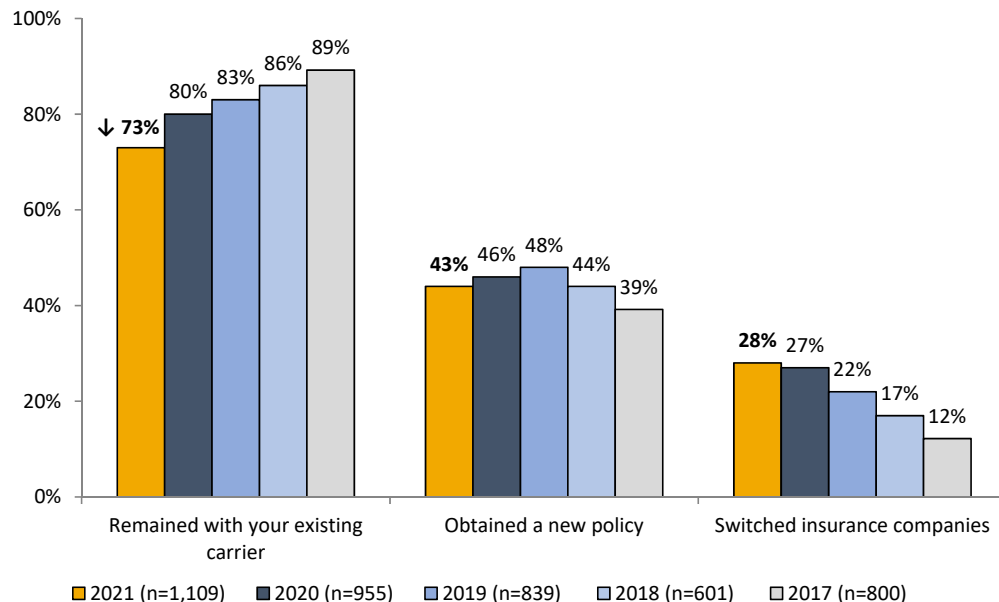


Base: Respondents who sought competitive quotes before purchasing automobile insurance

↓ Indicates a significant decrease from 2020

Purchasing Behaviour

In the last 2 years, have you, for any of your vehicles...?*



*Percent of respondents who said "yes".

↓ Indicates a significant decrease from 2020

What lead to the decision to switch from the prior automobile insurance company?*

- Able to find a lower premium 80%
- Insurance representative was not helpful or knowledgeable 22%
- Poor claims service 14%
- Payment plan was not being offered 11%
- Desired coverage not available 7%
- Moved/relocated 3%
- Company was sold/bought out 1%
- Purchased a new vehicle 1%
- Insurance broker passed away 1%
- Was referred/a referral, in general <1%
- Don't Know/Not Stated 2%

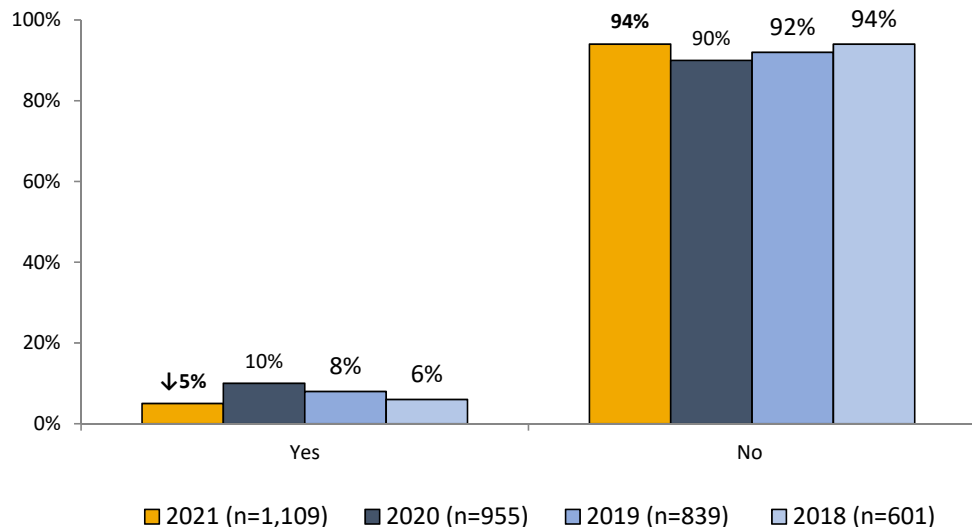
n=270

Base: Respondents who switched insurance companies in the last 2 years

*Multiple responses

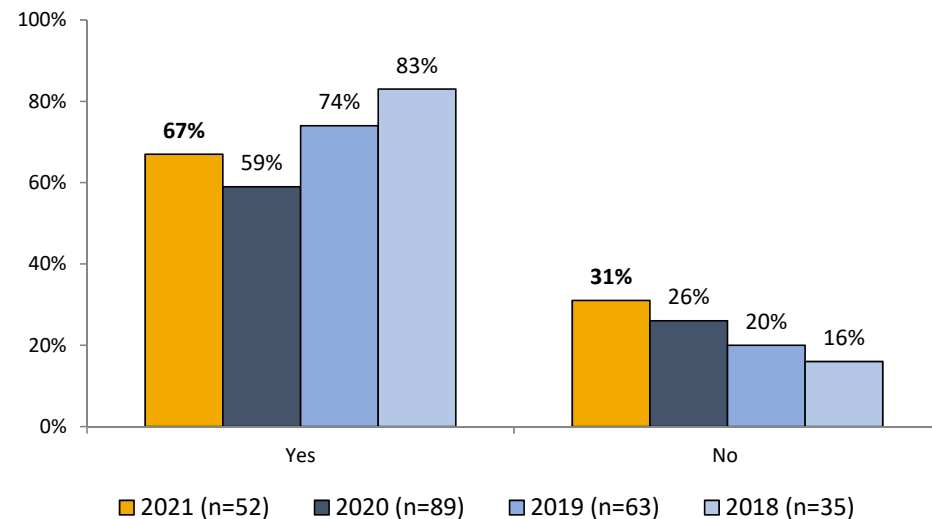
Perceptions of Automobile Insurance

Have you had a vehicle accident in the last 6 years, for which you claimed for medical treatment from your insurance company?



↓ Indicates a significant decrease from 2020

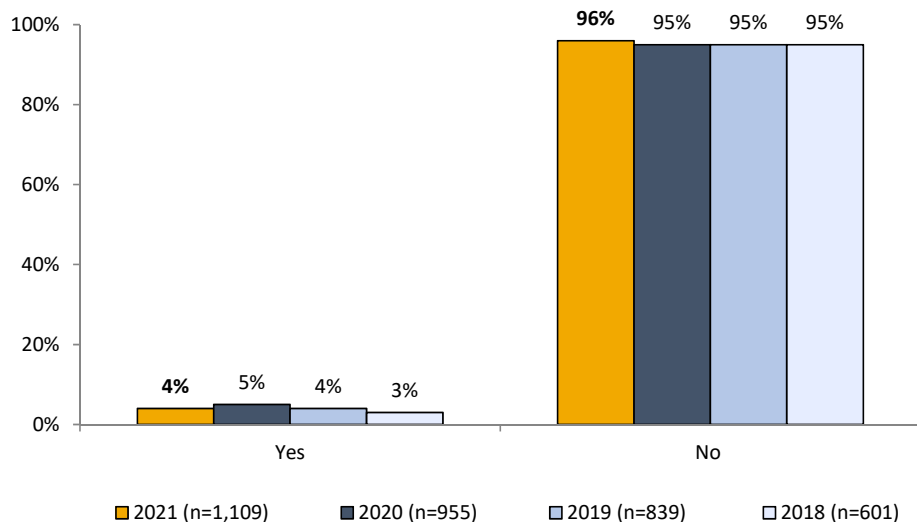
If you claimed for treatment, were you able to access appropriate medical treatment for your injuries?*



Base: Respondents that have had a vehicle accident in the last 6 years, for which medical treatment was claimed from their insurance company

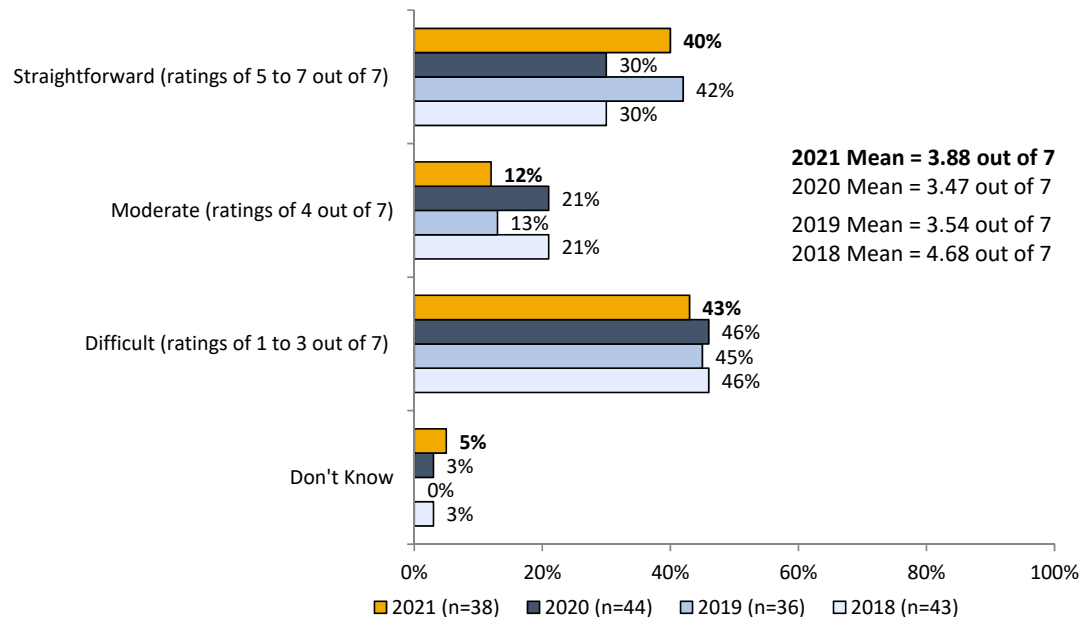
Perceptions of Automobile Insurance

Have you had a vehicle accident in the last 6 years, for which you claimed for injury compensation, for pain and suffering or other out-of-pocket expenses from your insurance company?*



*Question not asked prior to 2018

Please rate the level of your experience in making and settling the claim for compensation*

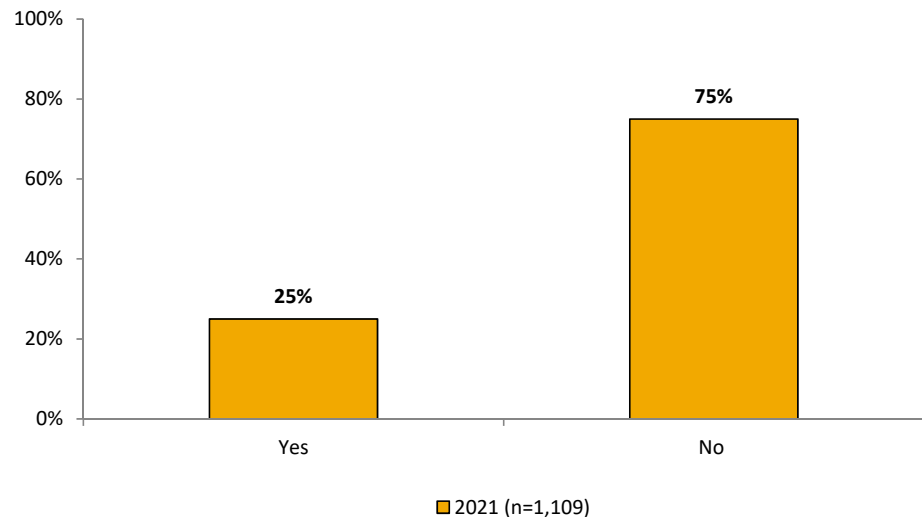


*Question not asked prior to 2018

Base: Respondents who have had a vehicle accident in the last 6 years for which they claimed from insurance for injury compensation

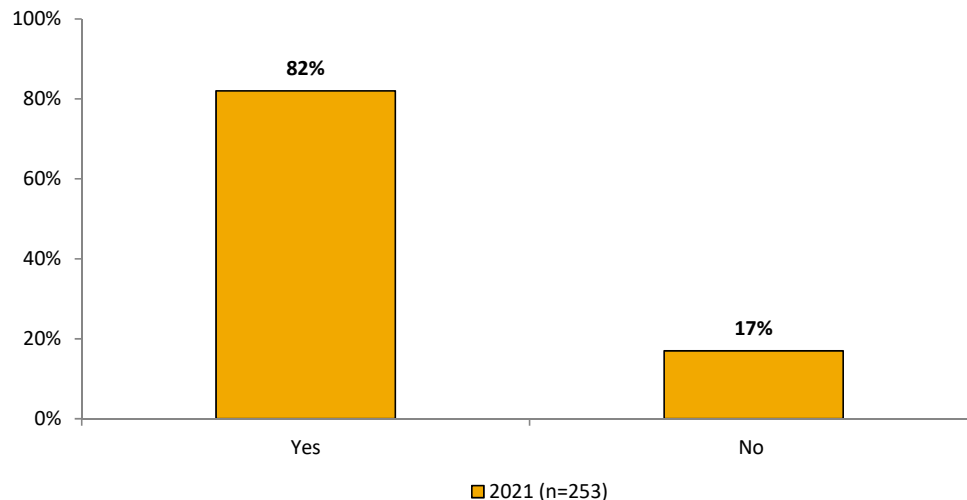
Perceptions of Automobile Insurance

Have you had a vehicle accident in the last 6 years, for which you claimed for repair or damage to your vehicle from your insurance company?*



*New to the 2021 survey

If you claimed for damage, were you able to access appropriate repair services or compensation for the damage (access means timely, without barriers imposed by insurer)?*

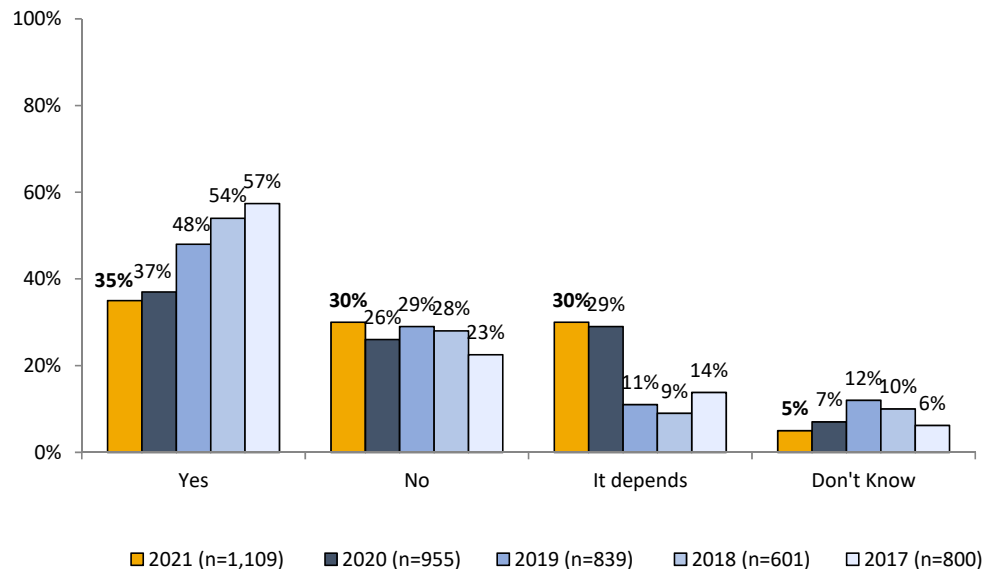


*New to the 2021 survey

Base: Respondents that have had a vehicle accident in the last 6 years, for which repair or damage to their vehicle was claimed from their insurance company

Usage-Based Insurance

Would you consider signing up for usage-based insurance when your insurance companies make it available to you?



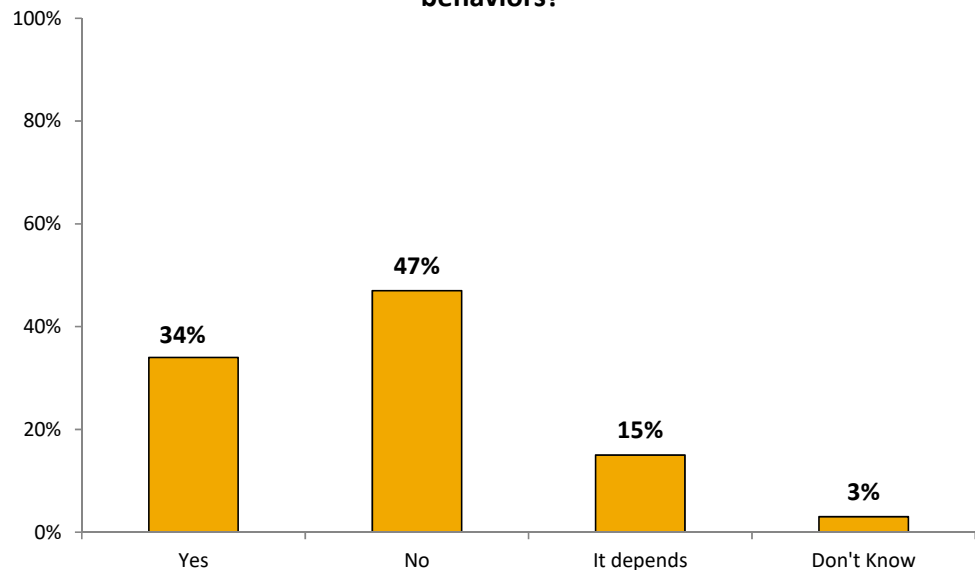
*Not asked prior to 2016

It depends on (n=316)

- The discount/cost 38%
- Would need more information/details 22%
- If my privacy/rights would be violated 15%
- The accuracy of data 7%
- The insurance coverage 5%
- The criteria/eligibility 4%
- If device would be installed in my vehicle 3%
- My personal situation 2%
- If it provides some leeway/accounts for situations that impact my driving 2%
- If my insurance company offers this 1%
- The ease of use <1%
- If device can be turned off <1%
- The reputation of the company <1%

Usage-Based Insurance

Would your answer to the previous question change if you knew you would pay more if you demonstrate un-safe driving behaviors?



■ 2021 (n=1,109)

*New to the 2021 survey

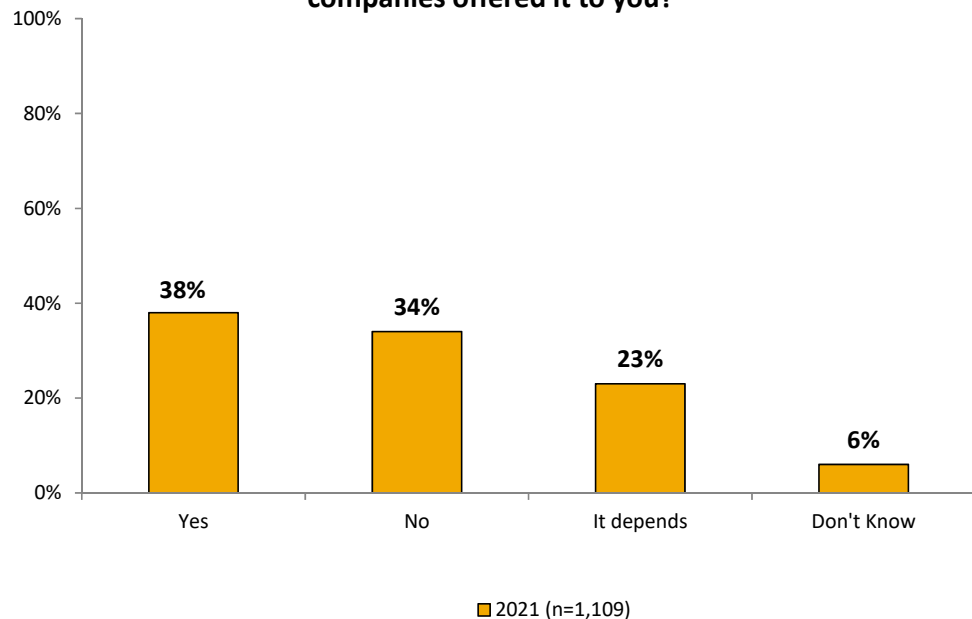
Base: Respondents that would consider signing up for Usage Based Insurance for you and / or for other drivers in the household when their insurance companies make it available to them

It depends on (n=64)

● The cost	37%
● How unsafe driving behaviours are measured	17%
● The criteria/eligibility	10%
● The accuracy of data	8%
● If it provides some leeway/accounts for situations that impact my driving	5%
● My driving habits	4%
● Need more information/details on user-based insurance, in general	4%
● The insurance coverage	1%
● The reputation of the company	<1%

Pay-As-You-Go Insurance

Would you consider signing up for pay-as-you-go insurance for you and/or for other drivers in the household if insurance companies offered it to you?



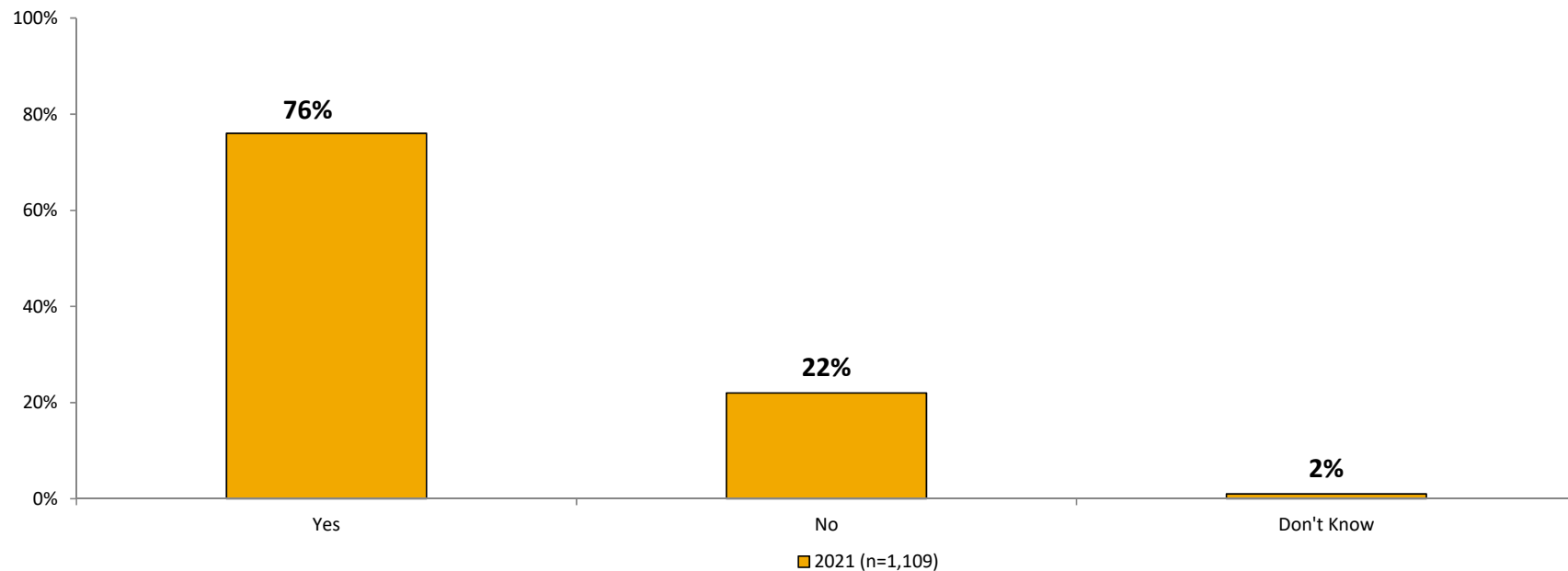
*New to the 2021 survey

It depends on (n=243)

- The discount/cost 54%
- Need more information/details on pay-as-you-go insurance, in general 17%
- The criteria/eligibility 6%
- The insurance coverage 6%
- My personal situation 5%
- If my privacy/rights would be violated 2%
- The ease of use 2%
- The accuracy of the data 1%
- If it provides some leeway/accounts for situations that impact my driving 1%
- The COVID-19 pandemic situation (general) 1%
- The reputation of the company (in general) <1%
- If my insurance company offers this option <1%
- If device would be installed in my vehicle <1%

Convictions

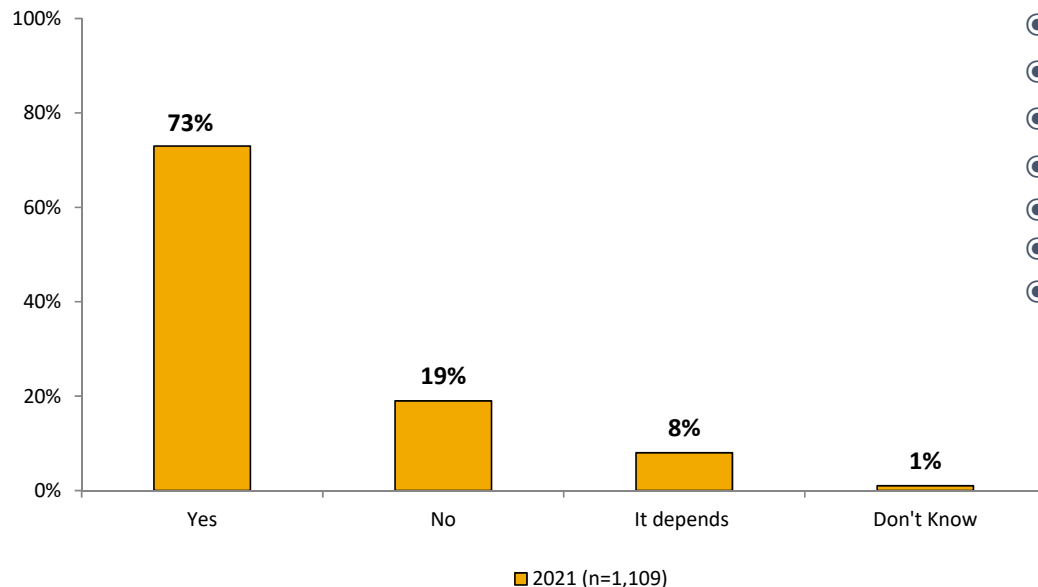
As a purchaser of vehicle insurance in Alberta, were you aware driving convictions could affect your vehicle insurance premiums to the extent that they do?



*New to the 2021 survey

Winter Tires

Do you agree drivers who install winter tires on their vehicle(s) should receive a discount on their vehicle insurance policy?



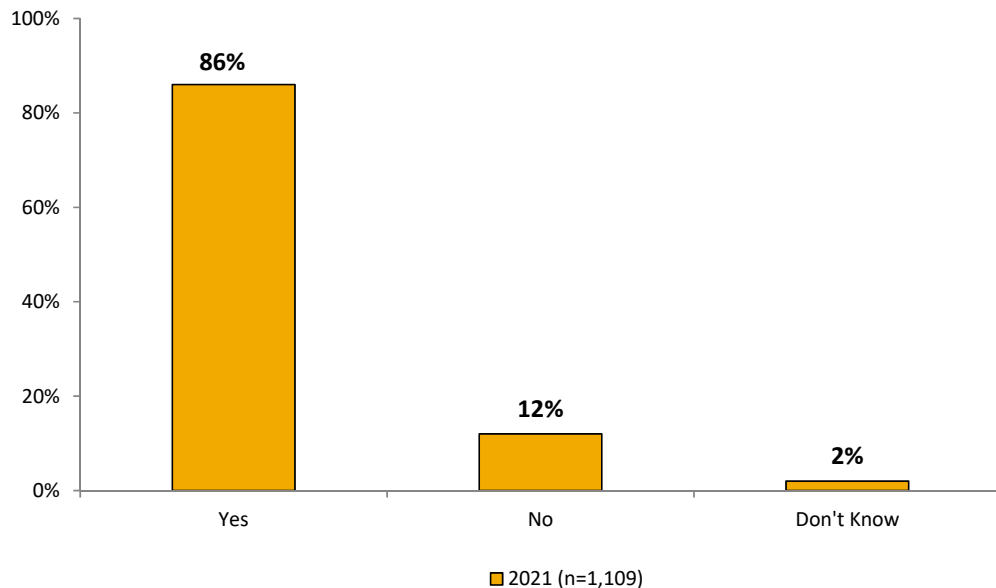
*New to the 2021 survey

It depends on (n=98)

- The person's driving behaviors/habits/experience 42%
- Where person is driving to/how far they are driving 18%
- The type/size of vehicle 15%
- The weather conditions 10%
- The cost of winter tires/tire installation 8%
- The criteria/eligibility 5%
- The tire condition/quality 2%
- The reputation of the company 1%
- Need more information/details <1%

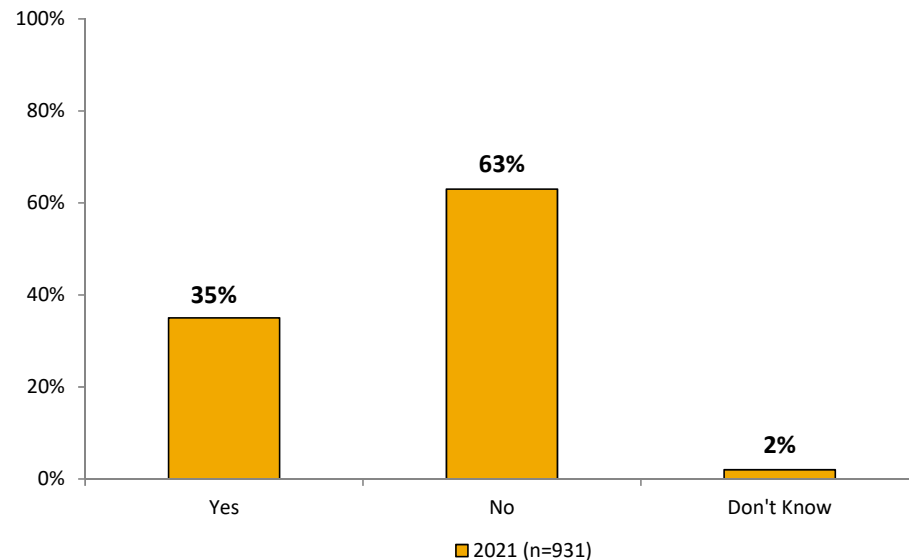
Influence of Vehicle on Insurance

As a purchaser of vehicle insurance in Alberta, were you aware the vehicle you drive can greatly affect your vehicle insurance premiums?



*New to the 2021 survey

For your most recent vehicle purchase, was the cost of vehicle insurance factored into your final purchase decision?

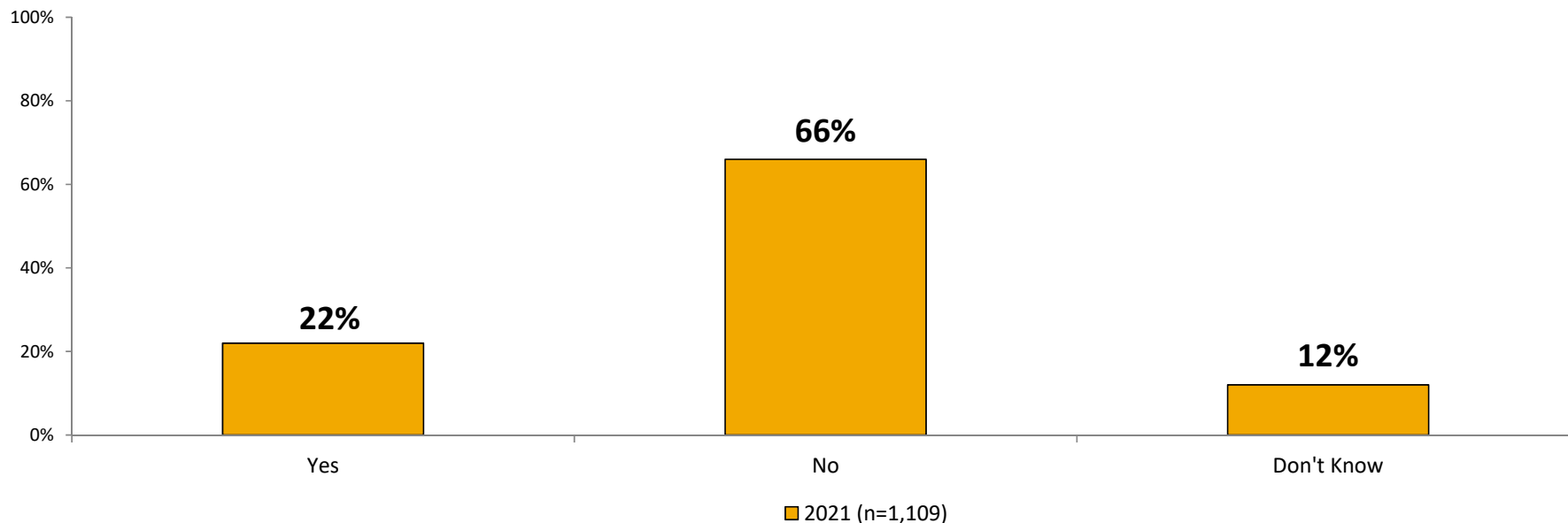


*New to the 2021 survey

Base: Respondents that were aware the vehicle they drove can greatly affect their vehicle insurance premiums

COVID-19

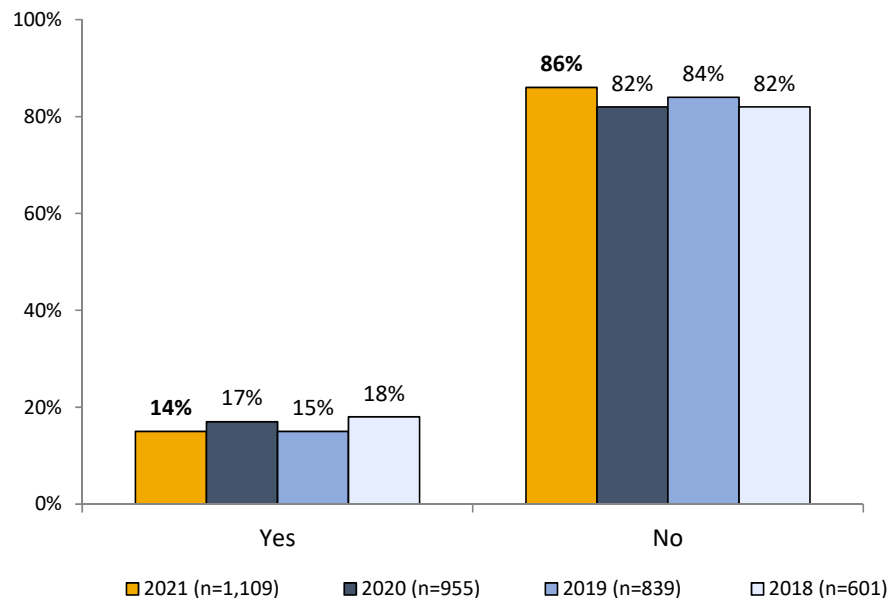
Do you agree, during the pandemic, you were able or had the opportunity to have your premiums adequately adjusted to accommodate for your driving habits?



*New to the 2021 survey

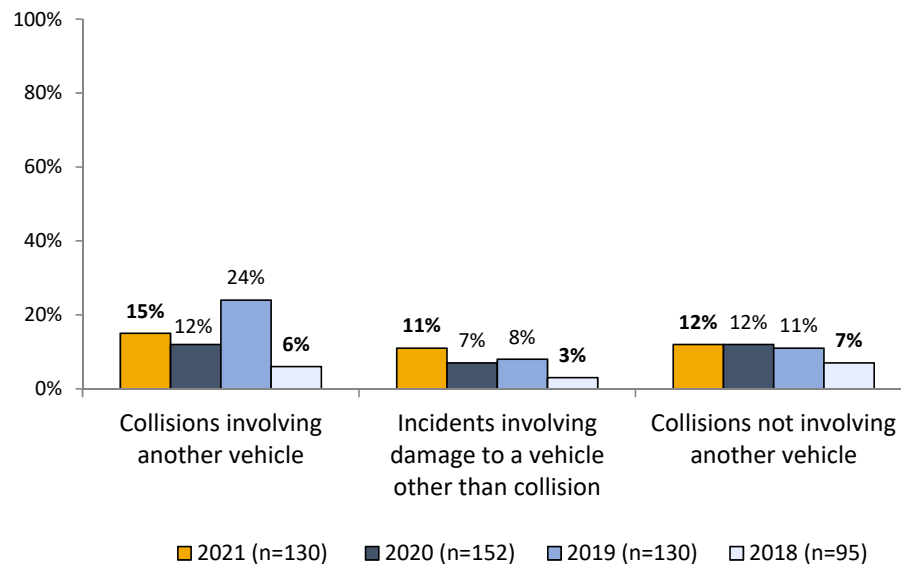
Household Insurance Profile

In the past two years, have you been involved in any motor vehicle accidents?*



*Not asked prior to 2018

In the last 2 years, have you been involved in any of the following motor vehicle accidents for which you did not report a claim? **



*Percent of respondents who said "yes"

Base: Respondents that have been in a motor vehicle accident in the past 2 years

**Not asked prior to 2018

Household Insurance Profile

Why did you choose not to report your claim(s)?*

●	Did not want my premiums to increase	32%
●	No damage to my vehicle	16%
●	Very little damage to my vehicle or damage amount was below the deductible	16%
●	Was an accident involving a drunk/impaired driver	6%
●	Agreed to settle with other driver	5%
●	Vehicle involved in accident did not have insurance/registration	5%
●	Too inconvenient, in general	1%
●	Accident occurred outside of Alberta	1%
●	Don't know/not stated	11%

n=44

Base: Respondents who have been involved in any collisions/incident in the past 2 years, and did not report a claim for their collision/incident

*Multiple responses

Demographics

	Percent of Respondents							
	2021 (n=1,109)	2020 (n=955)	2019 (n=839)	2018 (n=601)	2017 (n=800)	2016 (n=800)	2015 (n=800)	2014 (n=800)
Gender								
Male	49	50	56	50	50	50	50	52
Female	50	50	43	50	50	50	50	48
Other/Not Specified	1	-	-	-	-	-	-	-
Age								
18 to 34 years old	32	32	30	32	33	4	9	4
35 to 54 years old	36	36	21	36	38	25	34	24
55 years of age or older	32	32	50	32	29	67	57	72
Mean	47.59 years	46.8 years	50.7 years	47.1 years	46.8 years	61.0 years	57.4 years	61.5 years
For how many years have you been a licensed driver?								
10 years or less	18	19	15	20	18	2	6	3
11 to 20 years	20	21	19	21	21	7	10	6
21 to 30 years	16	15	8	17	19	16	19	13
31 to 40 years	19	18	16	19	19	23	23	25
41 to 50 years	15	16	25	12	13	28	19	28
More than 50 years	12	10	16	11	11	24	23	26
Mean	28.9 years	28.3 years	32.7 years	27.8 years	28.2 years	41.3 years	38.2 years	42.0 years

Demographics

	Percent of Respondents							
	2021 (n=1,109)	2020 (n=955)	2019 (n=835)	2018 (n=601)	2017 (n=800)	2016 (n=800)	2015 (n=800)	2014 (n=800)
How many licensed drivers do you arrange insurance for in your household?								
One (1) driver	43	41	39	35	30	30	32	31
Two (2) drivers	43	47	49	53	51	54	53	55
Three (3) drivers	6	7	7	6	14	9	9	9
Four (4) drivers	2	3	3	3	4	4	4	3
Five (5) or more drivers	1	<1	<1	1	1	1	1	2
None	3	1	1	2	1	1	1	<1
Mean	1.63 drivers	1.73 drivers	1.74 drivers	1.86 drivers	1.95 drivers	1.91 drivers	1.95 drivers	2.00 drivers

Demographics

	Percent of Respondents	
	2021 (n=1,109)	2020 (n=955)
How many times in the past 6 years have you or someone covered by your insurance policy had an at-fault claim?		
None	80	80
One (1)	16	16
Two (2)	3	2
Three (3)	<1	1
Four (4)	<1	<1
Five (5) or more	<1	<1
Don't Know	1	1
Mean	0.24	1.26

Questions or Comments:

Mathew Wesolowski
Consumer Representative

Email: airb@gov.ab.ca