AIRB AUTOMOBILE INSURANCE RATE BOARD

Bulletin 05-2026
May 13, 2026

# Bulletin to Interested Parties

## Communication to Policyholders on Care-first & Repeal of the Grid

## Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all automobile insurers operating in Alberta of the communication requirements related to premium changes due to the implementation of care-first and repeal of the Grid rating system.

## Background

In accordance with Section 9 of the AIRB Care-first Filing Guidelines, the AIRB expects all insurer renewal communications to policyholders to include an explanation of premium changes due to the implementation of care-first and the repeal of the Grid rating system.

The Grid will be repealed effective January 1, 2027, as part of the transition to the care-first insurance model. Care-first is designed to reduce third-party liability costs, which have historically been the main reason inexperienced drivers faced higher premiums. With these changes, the original purpose of the Grid will no longer be necessary.

While the repeal of the Grid is expected to align premiums more closely with individual driving and claims histories, the AIRB recognizes some drivers may experience premium increases as a result. The AIRB expects insurers to ensure their rating algorithm does not unfairly rate inexperienced drivers. If significant premium increases occur because of the Grid repeal, the AIRB will develop and implement a replacement mechanism to ensure appropriate consumer protection.

As policyholders will be concerned about premium changes, it is incumbent upon insurers to explain the changes due to care-first implementation and the repeal of the Grid rating system.

## Action Required

1. Insurers will provide additional information to their policyholders who experience an increase to their premiums. We have provided required language for drivers impacted by the repeal of the Grid. Insurers will provide communications advising of the change to care-first to all renewal policies regardless of impact to premium.

   **For all policyholder renewals** - The required text must be included exactly as provided and cannot be altered.

   ***Care-first Auto Insurance:***

   *Starting January 1, 2027, Alberta is moving to a new care-first auto insurance system.*

   *Under the care-first system, you can expect:*

   - *Better care if you're injured in a collision.*
   - *Benefits in weeks instead of years.*
   - *Accountability for bad drivers. Drivers who cause accidents will continue to face higher insurance premiums.*
   - *More affordability and stability for auto insurance premiums.*

*To understand what this change could mean for you - including how your coverages and benefits may look under care-first — we encourage you to talk with your [Broker/Agent].*

*Find out all the ways drivers will be better off at alberta.ca/care-first-auto-insurance.*

AND

**For policyholders who were Grid rated in 2026 and seeing an increase**, the following text must be included in renewal communications exactly as provided and cannot be altered:

***Notice about changes to Grid rating and your Care-first Premium:***

*Last year, your premium was calculated using Alberta's Grid rating system. The Grid set maximum premiums for mandatory auto insurance to help protect inexperienced drivers while they built their insurance history. The Grid was implemented in 2004, and over time, the Grid resulted in some drivers—including experienced drivers with poor driving records and/or claims histories—paying less than they otherwise should have under an insurer's rating program. This meant the Grid's subsidies extended beyond its original intent.*

*The Grid was repealed effective January 1, 2027, as part of the transition to the care-first auto insurance model. Care-first is designed to reduce third-party liability costs, which have historically been the main reason inexperienced drivers faced higher premiums. With these changes, the original purpose of the Grid is no longer be necessary.*

*Your premium is now based solely on your insurer's rating program. If you previously benefited from a Grid-rated discount, you may see an increase in your premium under care-first.*

*The Automobile Insurance Rate Board (AIRB) will continue to monitor the impact of the Grid repeal on inexperienced drivers and may take future action if needed.*

2 Insurers must provide copies of all communications to airb@gov.ab.ca no later than August 1, 2026, including:

- A description of how the insurer will communicate the proposed changes, specifically addressing any impact to policyholder premiums,
- Copies of any formal policyholder communications, such as renewal letter, broker/agent training materials etc.

Should you have any questions relating to this Bulletin, please contact our office at (780) 427-5428 or by email: airb@gov.ab.ca.

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