

Bulletin to Insurers

Communication to Policyholders on “Good Driver” Protection

Bulletin 10-2024

December 11, 2024

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this bulletin to set forth communication expectations related to premium changes and the “good driver rate cap”.

Background

In accordance with Section 9 of the [AIRB Filing Guidelines](#) and further to the “[Communicating the Good Driver Rate Cap](#)” report along with requests from insurers, the AIRB expects all insurers to ensure their communications to policyholders include a detailed explanation of premium changes.

The Government of Alberta’s [announcement](#) of “good driver” rate protection creates an expectation a good driver will not see more than a 3.7% increase at renewal in 2024 or 7.5% in 2025.

Since insurers implemented the 2024 rate cap with different effective dates, there may be consumer confusion about whether they are protected by the good driver rate cap or not, and whether the 2024 or 2025 rate cap applies at the time of their next renewal.

Action Required

As policyholders will be concerned if their premium increases above the threshold set by government, it is incumbent upon insurers to explain which cap applies to their customer (if the cap applies at all).

Following a review of the communication of the good driver rate cap in 2024, and [Bulletin 09-2023](#), the AIRB is providing a minimum standard letter to be sent to all policyholders. This is the minimum standard letter required. Insurers are encouraged to tailor their communication to policyholders and provide as much information as possible. In light of postal service disruption, insurers are encouraged to communicate through as many channels as appropriate (mail, email, text, web and in-app).

The AIRB expects communication be sent to each policyholder at renewal providing an explanation of whether the good driver rate cap applies, and if it is at the 3.7% (2024) or 7.5% (2025) level. If systems allow, the communication should be personalized to indicate the exact reason if the policy is exempted from the cap.

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

Laurie Balfour, MBA, CPA, CMA
Executive Director

Attachments

- 1 Minimum Standard Letter to Policyholders - Policyholder is Capped
- 2 Minimum Standard Letter to Policyholders - Policyholder is Not Capped (Option #1)
- 3 Minimum Standard Letter to Policyholders - Policyholder is Not Capped (Option #2)