

NOTICE: 04-2024
DATE: March 4, 2024

Notice to All Insurers AIRB Budget Announcement

Purpose:

The Automobile Insurance Rate Board (AIRB) is issuing this notice to inform insurers of an increase to the AIRB's budget for the 2024-2025 fiscal year and resulting change to the fee charged to insurers.

Background

The Ministry of Treasury Board and Finance's consolidated financial reporting includes the AIRB's expenses. When there are changes to the Ministry's budget allocations or priorities the AIRB's expenditure budget can change. The AIRB's budget was reduced annually starting in the 2014-2015 fiscal year before stabilizing at \$1,309,000 and remaining unchanged since 2020-2021 fiscal year.

Although the Government sets the total expenditure budget for the AIRB, the AIRB approves the allocation between line items, and monitors spending against the budget on a quarterly basis. The AIRB's revenue is collected through the [Automobile Insurance Rate Board Fee Regulation](#) (regulation), where insurers licensed to write auto insurance are charged a fee based on their share of the direct premiums written for auto insurance in the previous year, as reported to the Superintendent of Insurance under sections 44 and 46 of the Insurance Act.

Announcement

Minister Horner tabled the Government of Alberta's 2024-2025 budget and business plan on February 29, 2024. The ministry of Treasury Board and Finance's business plan cites "support the Alberta Automobile Insurance Rate Board to further their mandate of providing education and information related to auto insurance on an ongoing basis" as an initiative supporting key objectives. To fund this commitment the ministry's budget includes a \$1,300,000 increase to the AIRB's budget line item for a total budget of \$2,609,000. This increase in funding will allow the AIRB to build on the work previously undertaken to expand our focus on education and information sharing and launch a broader awareness campaign aimed at informing Alberta's drivers on auto insurance.

Action Required

Insurers will receive their annual fee invoice no later than September 1, reflecting the new budget amount in accordance with the regulation, and should plan for the increase accordingly.

Should you have any questions relating to this Notice, contact our office by email: airb@gov.ab.ca or phone: 780-427-5428.

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