2026

CARE-FIRST CONSUMER PREMIUM IMPACT

AIRB AUTOMOBILE INSURANCE RATE BOARD

CONTENT

EXECUTIVE SUMMARY

Care-First is Alberta's new auto insurance system, scheduled to take effect on January 1, 2027. It replaces the current court-based model with a care-focused approach which expands medical, rehabilitation, and income-support benefits for people injured in auto collisions. The new system is also designed to improve the long-term sustainability of auto insurance while helping keep coverage affordable for Alberta drivers.

Given Care-First materially changes the expected costs of bodily injury, accident benefits, and underinsured motorist coverages, insurers were required to revise their rating programs and obtain approval from the Automobile Insurance Rate Board (AIRB) for any resulting premium changes. This report summarizes the consumer impacts of the Care-First rate filings approved by the AIRB.

To ensure anticipated system savings are reflected in premiums, the AIRB required insurers to use benchmark rates established through the Care-First Actuarial Costing Report and AIRB Bulletin 04-2026 when developing their filings. AIRB staff reviewed each filing to confirm compliance with legislation and regulatory requirements.

The approved filings indicate most Alberta drivers are expected to benefit from premium reductions under Care-First. Private passenger vehicles, which make up the largest vehicle class in the province, are projected to see an average premium reduction of 13.7%, or $297 per insured vehicle.

This report explains what the Care-First rate filings may mean for Alberta consumers. It summarizes the number of filings received, the number of insured vehicles affected, average rate changes by vehicle class, and how premium impacts may vary in both percentage and dollar terms.

While the overall impact of Care-First is expected to be positive for most drivers, premium changes vary across vehicle classes. Several classes are projected to experience premium reductions, including private passenger vehicles, commercial and interurban vehicles, all-terrain vehicles, motorhomes, taxis and limousines, and trailers.

However, some vehicle classes are expected to see premium increases. The largest increases are projected for the motorcycle class, where the cost of providing enhanced injury benefits is substantially higher because motorcycle collisions are more likely to result in serious injuries. Premium increases are also expected for some smaller and specialized vehicle classes, including snow vehicles, antique vehicles, and certain public-service vehicle categories.

The key findings are:

- Most Alberta drivers are expected to experience premium reductions under Care-First.
- Private passenger vehicles, Alberta's largest vehicle class, account for 34 filings covering approximately 3.1 million insured vehicles. This class is projected to experience an average premium reduction of 13.7%, or $297 per insured vehicle.
- Commercial and interurban vehicles, representing 310,000 insured vehicles, are expected to receive an average rate reduction of 3.1%.
- Motorcycles, representing 166,000 insured vehicles, are expected to experience a 100.1% premium increase, doubling premiums under Care-First. Because motorcycle collisions are more likely to result in severe injuries, the cost of providing the enhanced medical, rehabilitation, and income replacement benefits available under Care-First is expected to be substantially higher.
- Other vehicle classes expected to see average premium reductions include ATVs, motorhomes, taxis and limousines, and trailers and utility trailers.

Although the results presented in this report reflect the average impact across each vehicle class, individual premium changes will vary based on insurer-specific rating programs, vehicle characteristics, coverage selections, driving history, and other risk factors.

BACKGROUND

CARE-FIRST & AIRB RATE FILING REVIEW

The introduction of the Care-First framework on January 1, 2027, represents a significate change to Alberta's auto insurance system. By emphasizing treatment, recovery, and standardized injury benefits over litigation-focused compensation, the framework alters the underlying assumptions insurers use when estimating future claims costs, including bodily injury and accident benefits expenses.

Since these cost assumptions are changing, insurers were required to update their rating programs and submit Care-First filings to the AIRB for review and approval. However, because Care-First introduces a new insurance framework in Alberta, insurers did not have historical claims experience to rely on when developing their rate applications. To address this, the AIRB commissioned an independent actuarial analysis from Oliver, Wyman Limited (Oliver Wyman), the Care-First Actuarial Costing Report, to estimate the expected claims costs under the new system.

The Costing Report was also informed by an Actuarial Advisory Committee made up of actuarial and pricing experts who understand Alberta's auto insurance market. This helped ensure the assumptions were realistic, balanced, and grounded in real-world experience.

The findings of the Costing Report became "benchmarks" each insurer was required to use in their Care-First rating filing (see AIRB Bulletin 04-2026). The benchmarks reflect the average premiums required to cover the expected costs of the new Care-First benefit structure. Insurers were required to set average premiums at or below the applicable benchmark, although the impact on individual policyholders may differ. By using these benchmarks, the AIRB was able to ensure system savings were passed on to Albertans.

The AIRB's rate review process examines how each insurer implemented the Care-First changes into their pricing. Filings included the proposed rate impact, the vehicle classes and insured vehicles affected, and supporting information. Insurers also provided information on the expected distribution of premium changes so the AIRB could assess both the overall average impact and the range of impacts experienced by policyholders.

AIRB staff reviewed the filings to determine whether the proposed changes were reasonable, supported by the evidence provided, and consistent with the benchmarks set by the Costing Report. Where additional support was required, insurers were asked to provide clarification or revise their filings before a final approval was given.

Individual premium changes will not change by the same amount for everyone. Each insurer covers a different mix of customers and uses its own approved rating program to calculate premiums. As a result, the average premium for a vehicle class may go down, while some policyholders may see a smaller decrease, no change, or an increase. A policyholder's actual premium will depend on their insurer, vehicle, coverage choices, driving history, and other factors used to calculate their price.

The table below presents the coverage benchmarks for the three largest vehicle classes in the province. An Alberta auto insurance policy may have additional coverages, such as collision, but since Care-First does not change these coverages, no changes to these coverages were allowed in the implementation rate filing.

Care-First Benchmark - Required Average Premium

	Private Passenger	Commercial	Motorcycle
Bodily Injury	$70.84	$222.07	$30.27
Accident Benefits	$606.62	$394.25	$637.66
Underinsured Motorist	$0.64	$2.28	$6.43

SUMMARY OF FINDINGS

The results presented in this report reflect average impacts across each vehicle class. These represent the changes on average, but individual policies will vary. In general, the rate change in percentage terms is more reflective of the average experience. For example, a $7,000 a year private passenger policy will see more savings than a $2,000 a year policy when both decrease by 13.7%.

The following sections provide a detailed summary of premium impacts by vehicle class, including the distribution of premium changes in percentage and dollar terms.

Care-First Filings Summary

Vehicle Class	Filings	Vehicles	Rate Change (%)	Rate Change ($)
Private Passenger Vehicles	34	3,131,133	-13.7%	-$297
Commercial & interurban	38	310,419	-3.1%	-$56
Motorcycles & Mopeds	36	166,317	100.1%	$445
All-Terrain & Off-Road Vehicles	28	164,014	-24.2%	-$62
Snow Vehicles	32	58,158	12.5%	$33
Antique & Collector Vehicles	10	55,078	10.7%	$41
Trailers & Utility Trailers	11	38,977	-4.7%	-$11
Motorhomes	20	29,543	-14.8%	-$102
Service & Public Vehicles	32	1,866	59.9%	$446
Taxis & Limousines	9	969	-4.5%	-$621

REPEAL OF THE GRID

The Grid was introduced in 2004 to set a maximum price insurers could charge for mandatory auto insurance coverage. The Grid was intended to protect new and inexperienced drivers from excessively high premiums, ensure access to coverage, and provide a clear path to lower rates as they gained experience.

Over time, the Grid drifted from its original purpose, with 51.0% of Grid-rated drivers being experienced (Grid steps -10 to -15)*, rather than new entrants to the system. As a result, lower-risk, experienced drivers have been subsidizing higher-risk drivers.

Today, premiums for new and inexperienced drivers are driven largely by the high cost of third-party liability, particularly bodily injury claims. The Care-First model is designed to reduce those costs, eliminating the need for a Grid rating system altogether.

Once the Grid is repealed, premiums will more directly reflect each insurer's approved rating program and assessment of risk. As a result, some policyholders who were previously protected by the Grid may experience increases even where the overall average impact of Care-First is a reduction. At the same time, removing the Grid will improve price signals and make insurer-specific pricing differences more visible, giving affected policyholders a stronger incentive to compare options in the market and therefore intensify competition.

* These drivers have at least 10 years of driving experience.

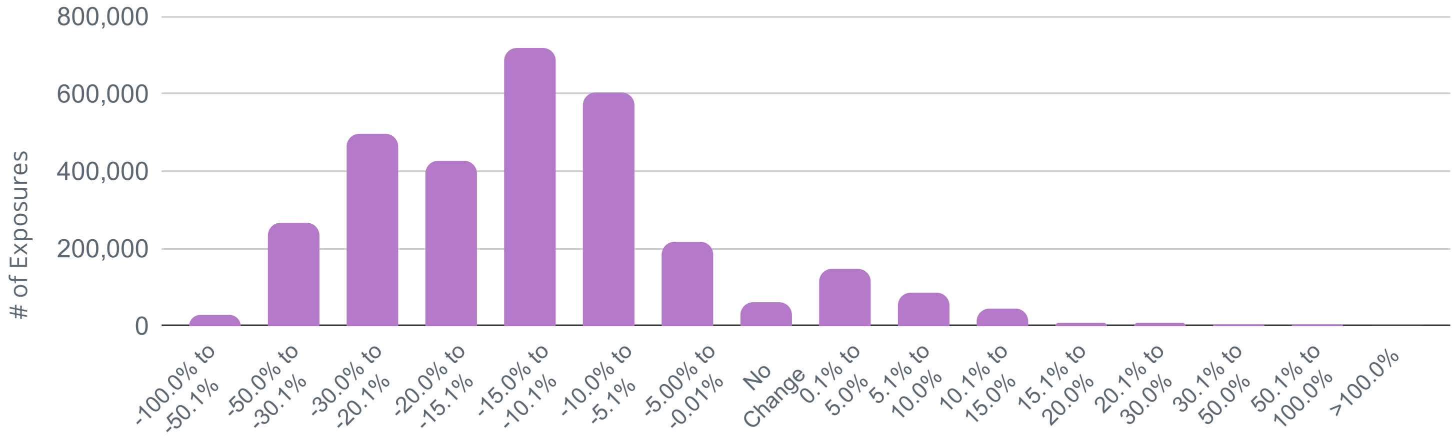
PRIVATE PASSENGER VEHICLES

OVERVIEW

Private passenger vehicles (PPV) represent the largest vehicle class included in the Care-First filings, with 34 filings covering **3.1 million insured vehicles**. As the largest segment of Alberta's auto insurance market, changes affecting this vehicle class have the greatest impact on Albertans.

The weighted average rate change* for PPV is -13.7%. The distribution of premium impacts shows most policyholders will experience premium decreases, while a smaller proportion will experience premium increases.

Distribution of Premium Changes for Private Passenger Vehicles



The distribution of premium changes indicates **88.2% of insured vehicles will experience premium decreases**, while 9.8% will experience premium increases; the remaining 2.0% of vehicles will experience no change in premium.

Most premium decreases are concentrated within the -5.0% to -30.0% range, with the largest number of vehicles falling within the -15.0% to -10.0% band at 720,000, but the second highest is a -10.0% to -5.1% decrease with 604,000 vehicles. These results indicate premium reductions are expected to be broadly distributed across the PPV portfolio.

Premium increases are comparatively limited. Less than 0.9% of insured vehicles are expected to experience increases greater than 15.0%, and only 0.5% are expected to experience increases exceeding 20.0%.

* A weighted average rate change shows the overall change in premiums across the market after accounting for the size of each insurer. Larger insurers affect the average more than smaller insurers because they insure more vehicles and collect more premium. A weighted average rate change does not mean every driver's premium will change by that amount. Individual premiums may increase, decrease, or stay the same depending on the insurer's rating program and the driver's specific risk characteristics.

WHY MIGHT SOME DRIVERS SEE PREMIUM INCREASES?

While most drivers are expected to benefit from lower overall system costs under Care-First, some drivers may see their premiums increase.

One reason is Care-First changes how injury costs are distributed. Under the current system, costs are linked to the bodily injury a driver causes to others. Under Care-First, coverage is focused on the care and support each injured person receives after a collision. Because the new model eliminates many of the costs associated with lengthy legal disputes, overall claims costs are expected to decrease. However, for a small number of drivers, the expected cost of the care they may receive if injured could be higher than the expected cost of injuries they might cause to others (i.e. motorcycles). In those cases, the change in cost allocation may outweigh the overall savings generated by the new system.

Another reason is the repeal of the Grid system. As mentioned earlier, the Grid currently limits the premiums which can be charged for certain coverages based on factors such as driving experience and location. Because these Grid premiums are the same across all insurers, they can mask differences in how insurers assess and price risk.

Once the Grid is repealed, premiums will more directly reflect each insurer's approved rating program. As a result, some drivers who were previously capped by the Grid may see higher premiums. Drivers who are expected to have higher medical costs than they might cause, and who are also significantly subsidized by the Grid system are the drivers who will face the large increases of >$500.

However, at the same time, insurer pricing differences will become more visible, making it easier for consumers to compare options. Drivers who experience an increase with one insurer may find more competitive pricing by shopping around and obtaining quotes from other insurers. Therefore, we believe this dislocation*, particularly the high rate changes, are overstated as consumers will likely be able to shop the market and obtain a better price.

The dollar impacts are consistent with the percentage distribution. The average premium impact across PPV is -$297 per insured vehicle.

Dollar Premium Dislocation* for Private Passenger Vehicles

Premium Change	Vehicles	Average Premium Change
<-$500	551,056	-$859
-$500 to $301	648,886	-$386
-$300 to $251	272,492	-$274
-$250 to $201	331,078	-$225
-$200 to $151	354,847	-$175
-$150 to $101	305,450	-$127
-$100 to $51	187,472	-$78
-$50 to $0	107,215	-$27
No Change	62,633	$0
$0 to $50	101,714	$19
$51 to $100	55,232	$73
$101 to $150	40,365	$124
$151 to $200	31,104	$174
$201 to $250	23,903	$224
$251 to $300	16,315	$274
$301 to $500	24,121	$372
>$500	17,250	$1,448
Total	**3,131,133**	**-$297**

The largest concentrations of vehicles fall within the larger premium reduction ranges, particularly savings greater than $100. By comparison, relatively few vehicles are expected to experience large dollar increases, with only a small proportion experiencing increases exceeding $300.

Overall, the results indicate premium reductions are expected for most PPV policyholders. While individual policy impacts will vary depending on insurer, vehicle characteristics, and rating factors, the overall distribution suggests Care-First will reduce premiums across Alberta's largest insured vehicle class.

* Dislocation is the variation in premium changes across policyholders. It shows whether a rate change is spread evenly among customers or whether some drivers will see much larger increases or decreases than others.

COMMERCIAL & INTERURBAN VEHICLES

OVERVIEW

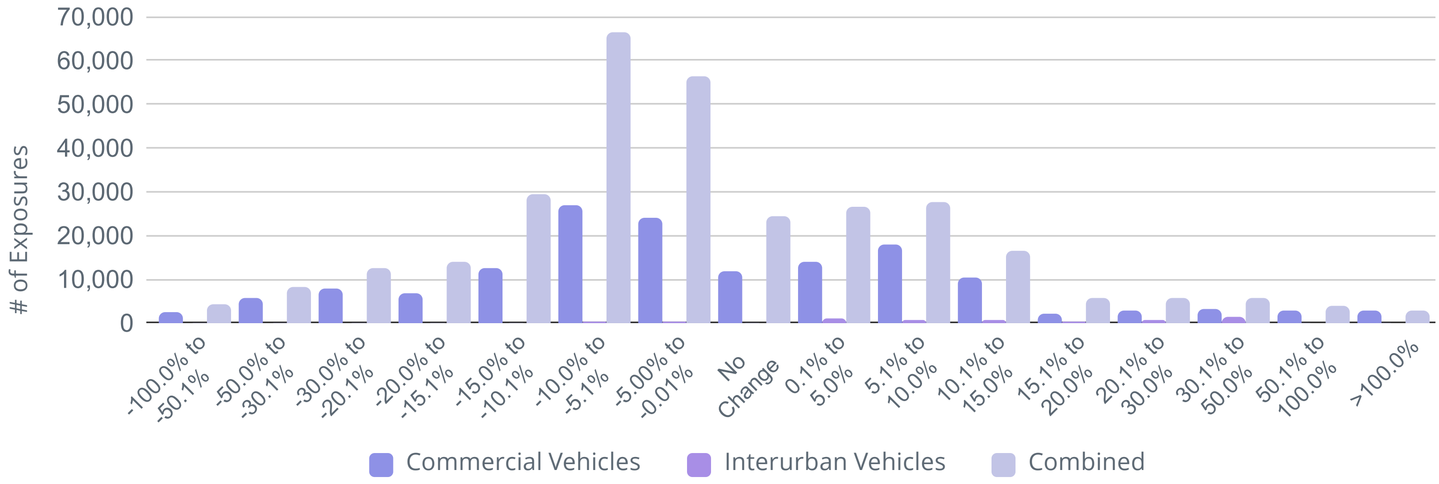
Commercial & interurban vehicles* represent an important segment of the Care-First filings. Commercial is an important vehicle class for the Alberta economy, composing everything from trucking, business deliveries, to construction. Commercial insurance can be a significant challenge for business owners in both price and availability. By improving cost predictability and stability, Care-First is expected to support a broader availability of commercial auto insurance coverage in Alberta.

Together, the commercial vehicle class includes 38 filings representing **310,000 insured individually rated vehicles**. Fleet rated vehicles are not regulated for pricing by the AIRB, and therefore, while they are adopting Care-First, are not reflected in this report.

The weighted average rate change for the combined commercial & interurban vehicle class is **-3.1%**, indicating an overall reduction in premiums. While the summary presents these vehicle types as a single class, the wide range of vehicles included within it means individual impacts can vary considerably. For example, the commercial class contains everything from an F-150 used as a work truck to dump trucks and other heavy equipment, while interurban can be light trucks to large semi trucks.

To better illustrate how premium changes are distributed, the following sections examine commercial vehicles and interurban vehicles separately.**

Distribution of Premium Changes for Commercial & Interurban Vehicles



* An interurban vehicle is used to travel between cities, towns, or regions as part of a business operation, typically to transport goods or equipment.

** Some insurers have separate rating programs for commercial and interurban, but some have them within the same rating program. This is why adding the commercial and interurban only exposures will not equal the commercial & interurban category.

COMMERCIAL VEHICLES

The distribution of premium impacts shows **55.9% of commercial vehicles are expected to experience premium reductions**, while 36.5% are projected to see increases, and 7.7% are expected to remain unchanged.

Most reductions are concentrated within the -15.0% to 0.0% range, with the largest share of vehicles receiving a decrease of between -10.0% to -5.1%. These results suggest many commercial policyholders may benefit from relatively modest savings compared with private passenger vehicles.

While higher premiums are observed across several positive rate-change bands, only a small proportion of vehicles are projected to experience increases exceeding 15.0%.

INTERURBAN VEHICLES

The distribution of premium changes indicates **16.0% of interurban vehicle policies are expected to experience premium decreases,** while 81.3% are expected to see premium increases, with the remaining 2.7% of policies seeing no change in premium. This is somewhat counter to commercial vehicles, who are expected to see a rate decrease. This is because commercial vehicles do not operate in as large a radius as interurban vehicles. Interurban vehicles are much more likely to move across provinces or into the United States. In these jurisdictions, they will still have significant bodily injury exposure, so this prevents their bodily injury premiums from dropping while expanding their accident benefits, leading to a higher premium.

The largest concentration of vehicles falls within the positive rate change bands, particularly within the 0.1% to 5.0%, 30.1% to 50.0%, and 5.1% to 10.0% ranges. Although premium decreases occur across several negative rate change bands, they represent a relatively small proportion of interurban vehicle policies. Overall, the distribution indicates premium increases are expected for most interurban vehicle policies. However, relatively few vehicles experience increases greater than 50.0%, and no vehicles are expected to experience increases exceeding 100.0%.

COMBINED COMMERCIAL & INTERURBAN VEHICLES

The distribution of premium changes indicates 61.6% of policies in filings containing either or both commercial and interurban vehicles are expected to experience premium decreases, while 30.6% are expected to see premium increases, and 7.9% of policies will see no change.

Most premium decreases are concentrated within the -15.0% to 0.0% range, with the largest number of vehicles experiencing a decrease within the -10.0% to -5.1% band (66,411 vehicles), followed by the -5.0% to -0.1% band (56,314 vehicles). These results suggest most policyholders within filings containing both commercial and interurban vehicles will experience relatively modest reductions in premiums.

Although premium increases occur across several positive rate change bands, relatively few vehicles are expected to experience increases greater than 20.0%. Overall, the distribution indicates premium reductions are expected for most policyholders within combined commercial and interurban filings.

Dollar Premium Dislocation for Commercial & Interurban Vehicles

Premium Change	Combined*		Commercial Only		Interurban Only	
	Vehicles	Average Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change
<-$500	16,559	-$1219	11,703	-$1,365	448	-$994
-$500 to $301	15,931	-$383	7,538	-$385	131	-$413
-$300 to $251	7,934	-$274	3,191	-$276	34	-$274
-$250 to $201	12,993	-$223	4,825	-$224	29	-$224
-$200 to $151	15,027	-$174	3,755	-$175	77	-$176
-$150 to $101	19,305	-$124	5,299	-$123	46	-$133
-$100 to $51	29,362	-$74	11,587	-$71	52	-$80
-$50 to $0	74,052	-$20	38,266	-$19	66	-$31
No Change	24,332	$0	11,805	$0	150	$0
$0 to $50	31,523	$22	16,231	$22	122	$18
$51 to $100	16,074	$72	9,909	$73	94	$78
$101 to $150	13,734	$128	8,031	$126	151	$124
$151 to $200	9,213	$175	5,931	$177	177	$174
$201 to $250	5,425	$221	3,535	$219	365	$227
$251 to $300	5,719	$279	4,222	$282	112	$277
$301 to $500	5,064	$372	3,665	$373	271	$401
>$500	8,172	$1,544	4,665	$995	3,204	$2,414
Total	**310,419**	**-$56**	**154,158**	**-$82**	**5,529**	**$1,352**

The average premium impact for commercial vehicles is **-$82 per insured vehicle**, and **+$1,352 for interurban vehicles**, and **-$56 overall for the entire class**. Most of the class is composed of commercial vehicles, as there are only approximately 20,000 individually rated and 290,000 interurban and commercial vehicles, respectively.

Most commercial vehicles are expected to experience relatively modest premium changes, with the largest concentrations occurring within the -$100 to +$50 ranges. This suggests premium changes for most commercial vehicles are generally lower in dollar value compared to PPV.

For interurban, most policies will see an increase of more than $500, but given the very large premiums on these vehicles, it is not as severe in percentage terms as it would be for commercial or other classes.

For the combined class, most vehicles are expected to experience relatively modest premium changes, with the largest concentrations occurring within the -$100 to $50 ranges, similar to commercial only. These results suggest premium movements for most interurban vehicle policyholders are generally moderate in dollar value.

* Combined total vehicles does not equal to commercial + interurban only due to filings containing both, which are not listed separately in this table.

MOTORCYCLES & MOPEDS

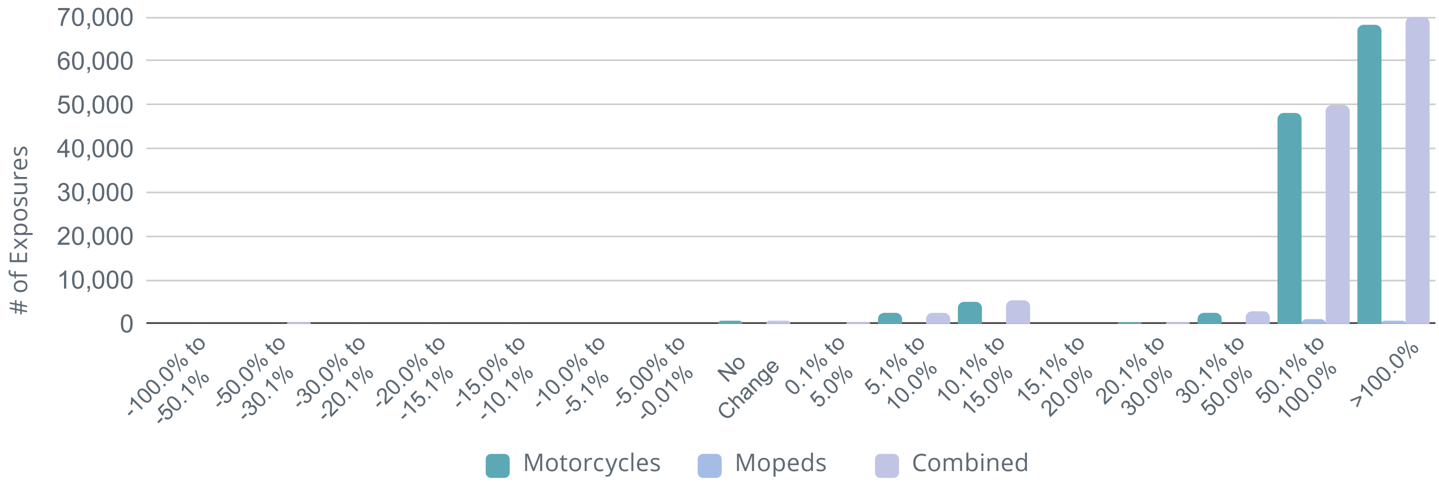
OVERVIEW

The motorcycles vehicle class accounts for 35 Care-First filings and **166,000 insured vehicles**. While this represents a relatively small share of Alberta's insured vehicle population compared with PPV, this vehicle class exhibits the largest premium increases among all vehicle classes included in the Care-First filings and is therefore under higher scrutiny from the AIRB.

Today, motorcycle insurance premiums are driven largely by the cost of property damage and injury claims involving other people, which tend to be relatively low. As a result, the average Alberta motorcycle insurance premium was $412 in 2025. In comparison, Ontario's premium in the same period was $1,050. Focusing on accident benefits, Alberta's was $80, compared to $691 in Ontario. Therefore, even with dramatically higher coverage, Care First's average premium of $634 will be lower than the premium for Ontario's product.

Under Care-First, the focus shifts toward providing enhanced care and support for injured riders. Because motorcycle collisions are more likely to result in serious injuries, the cost of providing these expanded injury benefits was expected to increase premiums. This outcome is consistent with other jurisdictions, such as Ontario, where more comprehensive accident benefits are associated with higher motorcycle insurance costs. The weighted average rate change for the motorcycles vehicle class is **+100.1%**, indicating premiums are expected to double on average. The following sections present the premium impacts for motorcycles and mopeds.

Distribution of Premium Changes for Motorcycles & Mopeds



MOTORCYCLES

The distribution of premium changes indicates motorcycles will face substantial premium increases. **53.5% of vehicles are expected to experience premium increases greater than 100.0%, while a further 37.9% are expected to experience increases between 50.1% and 100.0%**. Together, these two categories account for 90.6% of all motorcycles.

By comparison, relatively few motorcycle policies experience premium decreases or no premium change. In general, the distribution is heavily concentrated within the highest premium increase bands, indicating significant premium increases are expected for most motorcycle policyholders to reflect the enhanced benefits provided by their Care-First insurance coverage.

MOPEDS

The distribution of premium changes indicates moped policies are also expected to experience premium increases overall; however, the increases are somewhat less concentrated within the highest premium increase bands than those observed for motorcycles.

26.4% of moped policies are expected to experience premium increases greater than 100.0%, while an additional 55.1% are projected to see increases between 50.1% and 100.0%. Together, these groups represent 81.5% of all moped policies.

Compared with motorcycles, moped policies are more broadly distributed across the lower premium increase bands, although only a small proportion are expected to experience premium decreases. The results suggest most moped policyholders will see higher premiums under Care-First. However, the concentration of increases in the highest rate-change categories is somewhat lower than observed for motorcycles.

MOTORCYCLES & MOPEDS

For the entire class with filings featuring both, or either motorcycles or mopeds, **99.0% of policies are expected to experience premium increases,** while 0.4% are expected to experience premium decreases, and 0.6% of policies are expected to experience no change.

Most premium increases are concentrated within the 50.1% to 100.0% and greater than 100.0% bands, which together account for 90.5% of vehicles the combined class. These results indicate substantial premium increases are expected for most policyholders within filings which contain both vehicle types.

Dollar Premium Dislocation for Motorcycles & Mopeds

Premium Change	Combined*		Motorcycles Only		Mopeds Only	
	Vehicles	Average Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change
<-$500	8	-$866	0		0	
-$500 to $301	4	-$360	0		0	
-$300 to $251	2	-$258	0		0	
-$250 to $201	9	-$224	0		0	
-$200 to $151	18	-$167	0		0	
-$150 to $101	50	-$122	0		1	-$112
-$100 to $51	163	-$67	5	-$79	0	
-$50 to $0	376	-$31	4	-$35	0	
No Change	1,037	$0	1,018	$0	13	$0
$0 to $50	5,456	$24	4,945	$24	338	$15
$51 to $100	7,293	$76	4,888	$77	2,134	$74
$101 to $150	6,036	$122	5,764	$122	70	$114
$151 to $200	2,648	$174	2,539	$174	9	$169
$201 to $250	4,111	$228	4,022	$228	1	$238
$251 to $300	12,522	$280	12,430	$280	3	$261
$301 to $500	74,202	$382	73,626	$382	4	$396
>$500	52,382	$752	50,855	$724	2	$589
Total	**166,317**	**$445**	**160,096**	**$443**	**2,575**	**$69**

The average premium impact is **+$443 per motorcycle**. 46.0% of motorcycle policies fall within the $301 to $500 increase range, while an additional 31.8% experience premium increases greater than $500. Together, these two categories represent more than three-quarters of motorcycle policies (77.8%). As a whole, motorcycle results indicate the largest negative consumer impact observed across our Care-First filings. The combination of substantial percentage increases and large dollar impacts suggests most motorcycle policyholders are expected to experience significant premium increases.

For mopeds, the average premium impact is **+$69 per vehicle**, indicating premium increases are expected, although the dollar impacts are considerably lower than those observed for motorcycles. While some policyholders experience little or no premium change, the largest concentrations occur within the $51 to $100 and greater than $500 impact ranges. Together, these categories account for 55.9% of all moped policies. The results indicate premium increases are expected for most policyholders, although the magnitude of those increases is generally lower than for motorcycle policies.

For filings containing either or both motorcycles and mopeds, the average premium impact is **+$445 per vehicle**. The largest concentrations occur within the greater than $500 and $301 to $500 impact ranges, which together account for 76.1% of policies. These results indicate substantial premium increases are expected for most policyholders within filings containing both vehicle types.

* Combined total vehicles does not equal to motorcycles + mopeds only due to filings containing both, which are not listed separately in this table.

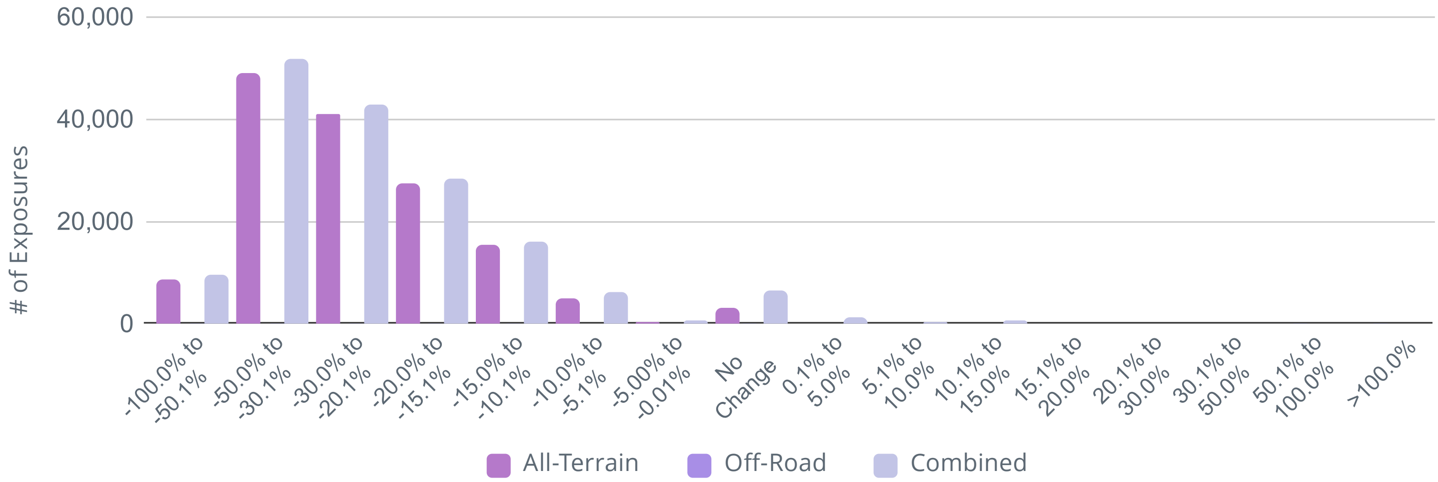
ALL-TERRAIN & OFF-ROAD VEHICLES

OVERVIEW

All-terrain vehicles (ATVs) and off-road vehicles* account for **164,000 insured vehicles**. While this vehicle class represents a relatively small portion of Alberta's insured vehicle population, it remains an important segment of pleasure-use vehicles and can be a vital part of transportation for rural communities in the province.

The average premium change for ATVs is **-24.2%**; the most substantial overall reduction in premiums for any vehicle class on a percentage basis. The distribution of premium impacts indicates premium decreases are expected for many policyholders, while premium increases are limited and affect only a small proportion of vehicles.

Distribution of Premium Changes for All-Terrain & Off-Road Vehicles



ALL-TERRAIN VEHICLES

The distribution of premium changes shows **98.0% of ATVs are expected to experience premium decreases**, while less than 0.0% are expected to face premium increases with the remaining 2.0% of vehicles seeing no change in premium.

The rate change is widely spread, but the largest share of vehicles can expect to see a decrease between 30.0% and 50.0% with 90,067 vehicles.

Premium increases are rare and affect only a very small proportion of vehicles. Overall, the distribution suggests most ATV policyholders are expected to experience meaningful premium reductions.

OFF-ROAD VEHICLES

The distribution of premium changes indicates **97.8% of off-road vehicle policies are expected to experience premium decreases**, while no policies are expected to experience premium increases. The remaining 2.2% of vehicles are expected to experience no change in premium.

The largest concentrations of vehicles occur within the 50.0% to 100.0% decrease with 31 vehicles. Compared with ATVs, the off-road vehicle population is much smaller, although premium decreases remain the dominant outcome. Broadly, the distribution suggests premium reductions are expected for almost all off-road vehicle policies.

* All-terrain vehicles are commonly known as quads and feature a straddle seat, and off-road vehicles are commonly referred to as side by sides or buggies.

ALL-TERRAIN & OFF-ROAD VEHICLES

The distribution of premium changes indicates **94.8% of policies in filings containing both ATVs and off-road vehicles are expected to experience premium decreases**, while 1.3% are expected to experience premium increases. The remaining 3.9% of vehicles are expected to experience little or no change in premium.

The largest concentrations of vehicles (94,611) occur within the -50.0% to -30.1%, and -30.0% to -20.1% premium change bands.

Dollar Premium Dislocation for All-Terrain & Off-Road Vehicles

	Combined*		All-Terrain Only		Off-Road Only	
Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change
<-$500	127	-$953	127	-$953	0	
-$500 to $301	236	-$346	236	-$346	0	
-$300 to $251	130	-$268	128	-$268	1	-$265
-$250 to $201	176	-$220	164	-$220	0	
-$200 to $151	1,073	-$174	1,018	-$175	2	-$174
-$150 to $101	8,230	-$119	6,161	-$121	37	-$124
-$100 to $51	96,333	-$73	94,093	-$73	0	
-$50 to $0	49,120	-$35	45,005	-$36	5	-$38
No Change	6,415	$0	2,920	$0	1	$0
$0 to $50	2,168	$4	20	$26	0	
$51 to $100	4	$84	4	$84	0	
$101 to $150	2	$121	2	$121	0	
$151 to $200	0		0		0	
$201 to $250	0		0		0	
$251 to $300	0		0		0	
$301 to $500	0		0		0	
>$500	0		0		0	
Total	**164,014**	**-$62**	**149,878**	**-$65**	**46**	**-$117**

The average premium impact for ATVs is **-$65 per insured vehicle**. The largest concentrations of vehicles occur within the -$100 to -$51 and -$50 to $0 ranges with 139,000 vehicles, suggesting many policyholders will experience moderate dollar reductions, but since the premium is typically $250 to $400 dollars, this is a significant savings. Additional reductions are distributed across the larger decrease ranges, while very few vehicles experience premium increases.

The average premium impact for filings with off-road vehicles only is -$117 per insured vehicle, indicating an overall reduction in premiums, but this represents only 46 vehicles, and they are typically combined in rating programs.

The average premium impact for filings containing either or both ATVs and off-road vehicles is **-$62 per insured vehicle**. The largest concentrations of vehicles occur within the -$51 to -$100 with 96,000 vehicles, and most within -$1 to -$100 with 88.7% of all vehicles.

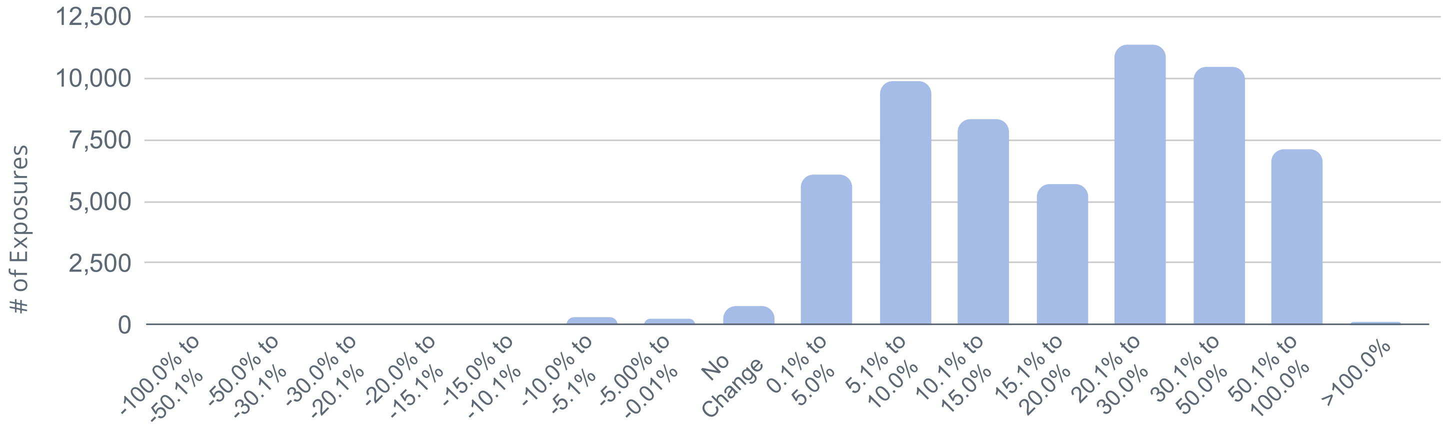
* Combined total vehicles does not equal to ATVs + off-road only due to filings containing both, which are not listed separately in this table.

SNOW VEHICLES

OVERVIEW

Snow vehicles account for **58,000 insured vehicles** and see an average premium change of **+12.5%**, indicating a moderate overall increase in premiums for this vehicle class. The distribution of premium impacts indicates premium increases are more common than premium decreases, although most vehicles remain concentrated within the lower and moderate increase ranges.

Distribution of Premium Changes for Snow Vehicles



The distribution of premium changes indicates **97.8% of insured vehicles are expected to experience premium increases**, while 1.0% are expected to experience premium decreases and 1.2% are expected to experience no change in premium.

Based on the filings, 21,000 snow vehicles will see rate increases between 20.0% and 50.0%, representing 35.8% of snow vehicles in the province, with rate changes being quite broad, with vehicles within 50.0% to 100.0% rate increases being nearly the same as those in 0.0% to 5.0% rate increases. Despite the prevalence of increases, the overall magnitude of change is generally modest. Less than 1.0% of insured snow vehicles are expected to experience increases greater than 100.0%, but only a small share is projected to experience premium decreases.

In aggregate, the results indicate most snow vehicle policyholders are likely to see higher premiums under Care-First; however, these increases are generally spread across lower and moderate impact ranges rather than concentrated in the highest rate-change bands like with the motorcycles and mopeds.

The dollar impacts are generally modest because premiums for snow vehicles are relatively low. More than 92.2% of insured vehicles are expected to fall within the $0 to $50 premium impact range. This is consistent with the current premium level for snow vehicles, which is typically between $200 and $300.

Relatively few policies are expected to experience premium changes greater than $100, and only a very small proportion fall within the highest dollar impact categories. Similarly, premium decreases are uncommon, with only a limited number of vehicles projected to see a decrease in premium.

The average premium impact is **+$33 per insured vehicle**, indicating a modest overall increase in premiums across the snow vehicle class. Overall, the results suggest most snow vehicle policyholders are likely to experience moderate premium increases. While increases are more common than decreases, the associated dollar impacts are generally small, resulting in a comparatively limited effect on consumers when compared with larger vehicle classes.

Dollar Premium Dislocation for Snow Vehicles

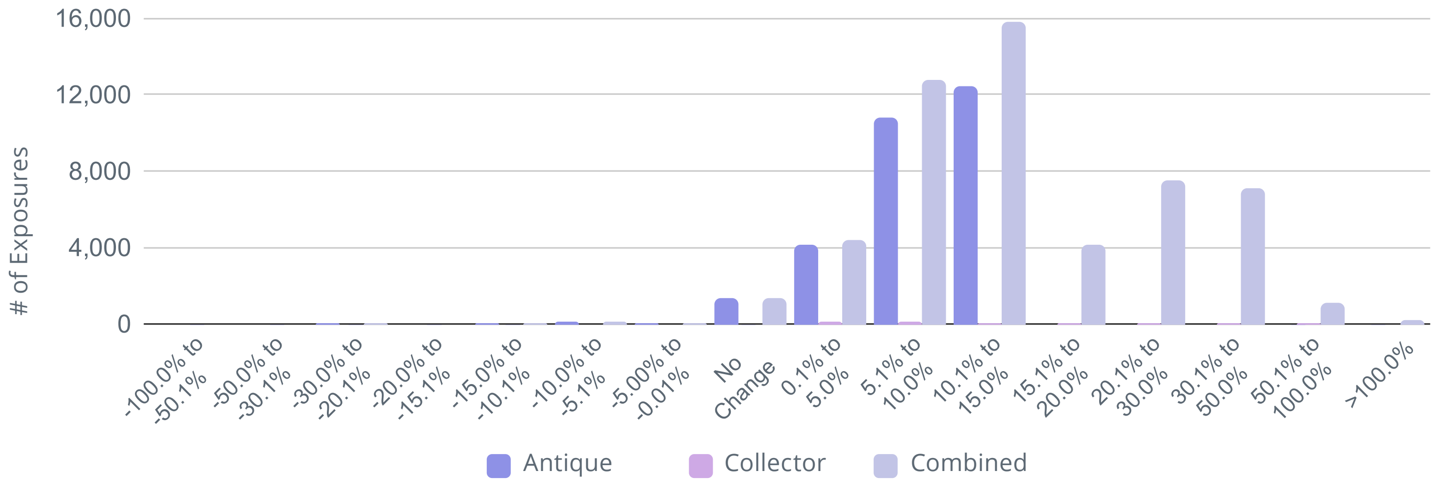
Premium Change	Vehicles	Average Premium Change
<-$500	0	
-$500 to $301	0	
-$300 to $251	0	
-$250 to $201	0	
-$200 to $151	0	
-$150 to $101	0	
-$100 to $51	0	
-$50 to $0	627	-$9
No Change	705	$0
$0 to $50	55,801	$32
$51 to $100	3,076	$55
$101 to $150	91	$116
$151 to $200	44	$169
$201 to $250	13	$238
$251 to $300	0	
$301 to $500	13	$344
>$500	8	$831
Total	**60,378**	**$33**

ANTIQUE & COLLECTOR VEHICLES

OVERVIEW

Antique and collector vehicles* represent a specialized segment of the Care-First filings and account for **55,000 insured vehicles**. While this vehicle class represents a relatively small share of Alberta's insured vehicle population, it is associated with an overall average premium increase. The average premium change for antique vehicles is **+10.7%**, indicating a moderate increase in premiums.

Distribution of Premium Changes for Antique & Collector Vehicles



ANTIQUE VEHICLES

The distribution of premium changes indicates **most antique vehicle policies are expected to experience premium increases**. The largest concentrations of vehicles falls within the 5.0% to 15.0% premium increase range.

Premium decreases are relatively uncommon among antique vehicles, while only a small proportion of policies are expected to see little or no change in premium. Overall, the results suggest higher premiums are anticipated across much of the antique vehicle portfolio, but at a modest level.

COLLECTOR VEHICLES

Collector-only filings are limited, covering 682 vehicles, compared with 29,270 vehicles in antique-only filings. These policies are also **expected to see premium increases across most of the portfolio**, with the largest concentration of vehicles falling within the 0.1% to 15.0% increase range.

ANTIQUE & COLLECTOR VEHICLES

Filings containing either or both antique and collector vehicles are expected to experience premium increases. Approximately **96.8% of vehicles are expected to experience premium increases**, while the remaining 3.2% will receive no change or a decrease.

The largest concentrations of vehicles occur within the 5.1% to 10.0% and 10.1% to 15.0% premium change bands with 29,000 vehicles or 52.0%. These results indicate meaningful premium increases are expected for most policyholders.

* Antique and collector vehicles are both vehicles driven for pleasure use only and are typically older vehicles. The difference between antique and collector is based on qualities like the vehicles age and other factors.

Dollar Premium Dislocation for Antique & Collector Vehicles

Premium Change	Combined*		Antique Only		Collector Only	
	Vehicles	Average Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change
<-$500	0		0		0	
-$500 to $301	0		0		0	
-$300 to $251	0		0		0	
-$250 to $201	0		0		0	
-$200 to $151	0		0		0	
-$150 to $101	0		0		0	
-$100 to $51	0		0		0	
-$50 to $0	391	-$32	390	-$32	1	-$11
No Change	1,368	$0	1,353	$0	1	$0
$0 to $50	32,091	$32	23,398	$27	538	$36
$51 to $100	20,778	$55	3,759	$64	62	$73
$101 to $150	286	$120	228	$119	58	$123
$151 to $200	86	$173	68	$173	18	$172
$201 to $250	27	$225	26	$225	1	$228
$251 to $300	10	$274	10	$274	0	
$301 to $500	25	$379	25	$379	0	
>$500	16	$621	13	$649	3	$502
Total	**55,078**	**$41**	**29,270**	**$32**	**682**	**$52**

The dollar impacts indicate relatively modest premium increases for most policyholders. For filings containing either or both antique and collectors, the average rate increase is **+$41, with a slightly lower increase expected for antique (+$32) than collectors (+$52)**.

Under the current court-based insurance system, this class's premiums reflect the fact these vehicles are typically driven infrequently and generally accumulate fewer kilometres than private passenger vehicles. At the same time, antique vehicles tend to be older and may not include some of the safety features commonly found in modern vehicles. Under Care-First, premiums are more closely aligned with the expected cost of providing care and recovery benefits following an injury. As a result, antique vehicles are expected to experience premium increases relative to their current premium levels, contributing to the average increase of $41 per insured vehicle.

While most policyholders are expected to see higher premiums, the dollar impact remain relatively modest compared with many other vehicle classes due to their overall lower premiums compared to PPV.

The dollar impacts indicate moderate premium increases for most policyholders within combined filings containing both antique and collector vehicles. The largest concentrations of vehicles occur within the $51 to $100 and $0 to $50 impact ranges, which together account for substantially more than half of all vehicles.

The average premium impact for combined filings containing both **antique and collector vehicles is +$41 per insured vehicle**, indicating a modest overall increase in premiums.

Overall, the results suggest most policyholders within filings containing both antique and collector vehicles are expected to experience premium increases. While some vehicles experience larger dollar impacts, the majority of increases remain concentrated within the lower dollar impact ranges.

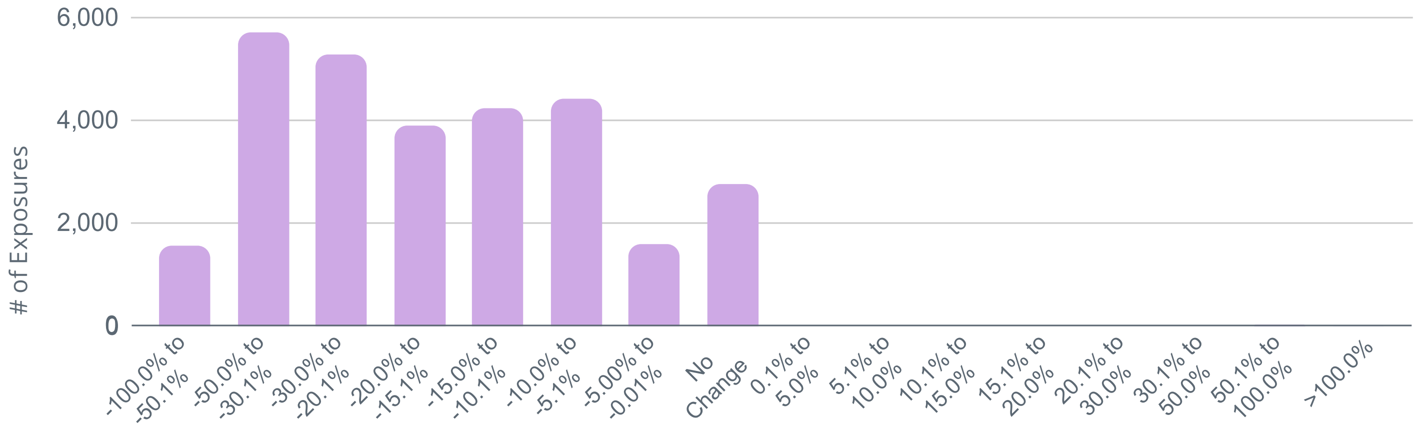
* Combined total vehicles does not equal to antiques + collectors only due to filings containing both, which are not listed separately in this table.

MOTORHOMES

OVERVIEW

Motorhomes account for **30,000 insured vehicles** included in our Care-First filings. The average premium change for motorhomes is **-14.8%**, indicating an overall reduction in premiums. The distribution of premium impacts indicates premium decreases are expected for 90.6% of policyholders. No policyholders are expected to face a premium increase, and only 9.4% are expected to see no change.

Distribution of Premium Changes for Motorhomes



The largest concentrations of vehicles occur within the $0 to $150 range, suggesting many policyholders are expected to benefit from meaningful dollar savings.

The average premium impact is **-$102 per insured vehicle**, representing a moderate reduction in premiums across the class. While individual impacts will vary, Care-First changes suggest a noticeable reduction in premiums for nearly all motorhome policyholders.

Dollar Premium Dislocation for Motorhomes

Premium Change	Vehicles	Average Premium Change
<-$500	20	-$594
-$500 to $301	277	-$367
-$300 to $251	350	-$269
-$250 to $201	1,550	-$221
-$200 to $151	2,801	-$178
-$150 to $101	10,865	-$118
-$100 to $51	6,540	-$80
-$50 to $0	4,355	-$38
No Change	2,785	$0
$0 to $50	0	
$51 to $100	0	
$101 to $150	0	
$151 to $200	0	
$201 to $250	0	
$251 to $300	0	
$301 to $500	0	
>$500	0	
Total	**29,543**	**-$102**

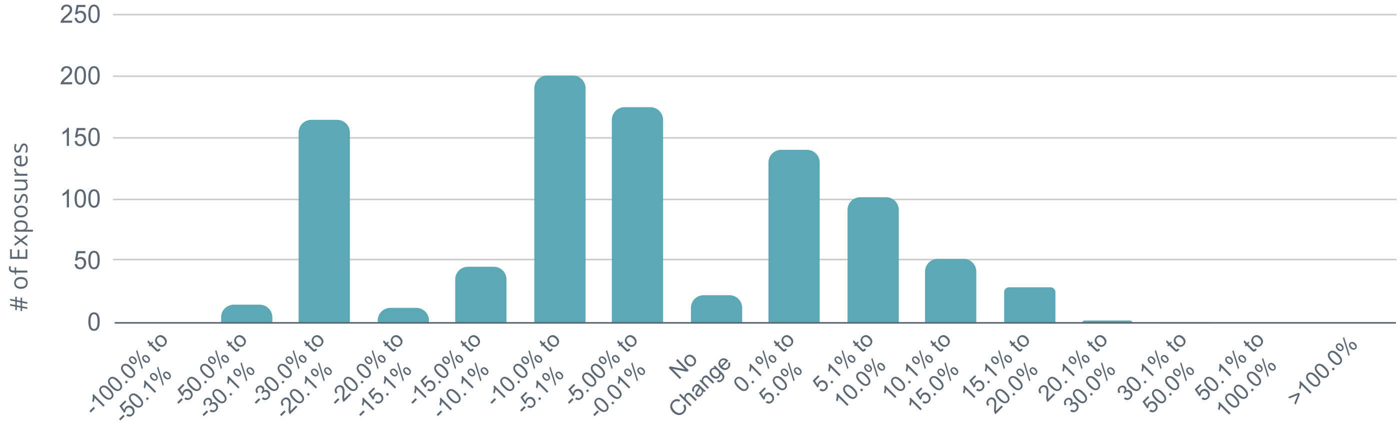
TAXIS & LIMOUSINES

OVERVIEW

Taxis and limousines account for **969 insured individually rated vehicles** included in our Care-First filings, making this one of the smallest vehicle classes. Most taxis in the province are written as fleet policies*; the AIRB does not regulate rating programs for fleet rated vehicles.

The average premium change for taxis and limousines is **-4.5%**, indicating a modest overall reduction in premiums. While this vehicle class represents a very small share of Alberta's insured vehicle population, it is a vehicle class which has faced significant availability challenges in recent years. With Care First lowering premiums and providing a more stable and sustainable environment, we hope to see competition return to this vehicle class.

Distribution of Premium Changes for Taxis & Limousines



The distribution of premium changes indicates **63.7% of insured vehicles are expected to experience premium decreases**, while 36.3% are expected to experience premium increases or no change in premium.

The largest concentrations of vehicles occur within the -10.0% to +5.0% premium change bands. These results suggest most policyholders are expected to experience relatively modest premium adjustments, but premium decreases are expected for a larger proportion of taxi & limousine policies than premium increases.

For several years, the taxi insurance market has faced availability challenges. By creating a more stable and sustainable insurance environment, Care-First may encourage increased insurer participation in this segment of business, which could lead to greater competition and improved access to coverage for taxi operators.

* A fleet policy is an insurance policy which covers a group of vehicles owned or operated by the same business or organization, rather than insuring each vehicle separately. The AIRB defines a fleet as five or more vehicles under common ownership or management. Fleet policies are commonly used by businesses and organizations which operate multiple vehicles, such as delivery companies, trucking firms, taxi operators, contractors, and municipalities.

The dollar impacts show greater variability than in some other vehicle classes, reflecting the relatively high premiums typically associated with taxis and limousines. The average premium impact is **-$621 per insured vehicle**, although this average is influenced by a relatively small number of policies experiencing substantial premium reductions.

While some policyholders are expected to see premium increases, many vehicles are concentrated in the larger savings categories, particularly premium reductions of more than $500. Because the taxi & limousine class includes a relatively small number of insured vehicles, individual policy changes can have a more pronounced effect on the overall average. While we do not regulate the rate on fleet policies, we would expect savings on taxis to be passed through to fleet policies at some time.

Overall, the taxi & limousine vehicle class is projected to see lower premiums on average. Given the relatively small size of this segment, the broader impact on Alberta drivers is expected to be modest when compared with larger vehicle classes.

Dollar Premium Dislocation for Taxis & Limousines

Premium Change	Vehicles	Average Premium Change
<-$500	364	-$1,876
-$500 to $301	80	-$396
-$300 to $251	15	-$276
-$250 to $201	27	-$224
-$200 to $151	29	-$170
-$150 to $101	41	-$128
-$100 to $51	28	-$69
-$50 to $0	33	-$21
No Change	17	$0
$0 to $50	28	$21
$51 to $100	28	$79
$101 to $150	22	$124
$151 to $200	18	$173
$201 to $250	31	$226
$251 to $300	50	$273
$301 to $500	74	$397
>$500	84	$916
Total	**969**	**-$621**

CONCLUSION

Care-First represents the most significant change to Alberta's auto insurance system in many decades. By shifting from a court-based model to one focused on timely care, recovery supports, and defined benefits, Care-First is intended to improve outcomes for people injured in collisions while supporting the long-term sustainability and affordability of auto insurance.

The Care-First rate filings reviewed by the AIRB indicate the assumptions in the original actuarial costing report have been carried over to the actual filings approved to date. Oliver Wyman projected Care-First would reduce claims costs and generate savings of up to $366 on mandatory insurance per vehicle, with projected savings of $259 per vehicle for full coverage.

Private passenger vehicles, the largest vehicle class in Alberta, are projected to experience an average premium reduction of 13.7%, or about $297 per insured vehicle, based on the approved filings; **above expectations set by Oliver Wyman**. Commercial and interurban vehicles are expected to see an average reduction of 3.1%, and several other vehicle classes, including ATVs, motorhomes, taxis and limousines, and trailers, are also projected to see lower premiums on average. These results suggest the anticipated savings from Care-First are being reflected in approved premiums.

The filings also confirm some vehicle classes will experience increases because of the enhanced injury benefits provided under Care-First. Motorcycles are projected to experience an average premium increase of 100.1%, reflecting the higher cost of providing expanded medical, rehabilitation, and income replacement benefits in a vehicle class where collisions are more likely to result in serious injuries.

The approved filings also show why Care-First was pursued as a policy response to affordability challenges. Public opinion research conducted for the Government of Alberta has consistently shown affordability is one of Albertans' leading concerns about auto insurance. Over the long term, premiums are driven primarily by claims costs; if claims costs continue to rise, premiums will eventually follow. The most sustainable way to improve affordability is therefore to reduce the underlying cost of claims while continuing to provide appropriate protection and support to people injured in collisions.

Care-First was designed to achieve the affordability objective by reducing costs associated with lengthy legal disputes and replacing them with a system focused on treatment, recovery, and defined benefits. The approved rate filings provide early evidence the pricing assumptions underlying the Care-First model are being reflected in actual insurer rate applications. Care-First addresses the root causes of premium pressure rather than simply limiting prices through regulatory intervention.

Beyond the direct impact on premiums, Care-First is intended to support a more stable and sustainable auto insurance market. The original actuarial costing work concluded the new framework would enable insurers to price coverage more predictably. For consumers, market stability supports more choice, stronger competition, and less risk of sudden premium spikes or insurers withdrawing from the province.

The premium impacts reflect average impacts across vehicle classes, not guaranteed outcomes for individual policyholders. Individual premiums will continue to depend on each insurer's approved rating program, vehicle characteristics, coverage selections, driving history, and other risk factors. The elimination of Alberta's Grid rating system also means premiums will more directly reflect insurer-specific pricing and risk assessment practices, which may result in increases for some drivers previously capped by the Grid. However, these Albertans are unlikely to be with the cheapest insurer and can now shop the market and contribute to a higher intensity of insurer competition, keeping prices low for everyone.

Collectively approved the Care-First rate filings support the key conclusions of the original actuarial pricing work. Most Alberta drivers will benefit from lower premiums while gaining access to enhanced benefits following a collision. Although some vehicle classes will experience increases, particularly where injury costs are higher, the overall results suggest Care-First is helping address long-term affordability concerns while supporting a competitive and sustainable auto insurance market for the future.

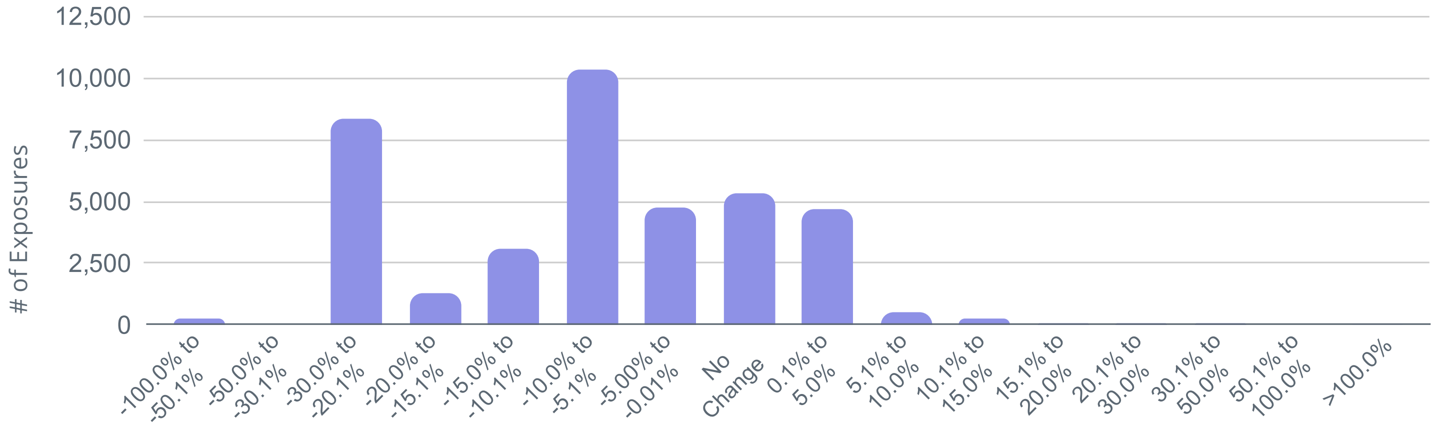
In the appendix we present, without commentary, the results for the trailers, public vehicles, and other classes.

APPENDIX

These classes are presented without commentary as they have very few vehicles. In the case of trailers, they do have a significant number of vehicles with 39,000, but the approach taken by individual insurers in pricing them is inconsistent. Some insurers only provide section C coverage (collision and comprehensive) and therefore did not provide a filing for Care First. Other insurers charge a premium for bodily injury, and therefore submitted a filing.

TRAILERS & UTILITY TRAILERS

Distribution of Premium Changes for Trailers*



Dollar Premium Dislocation for Trailers

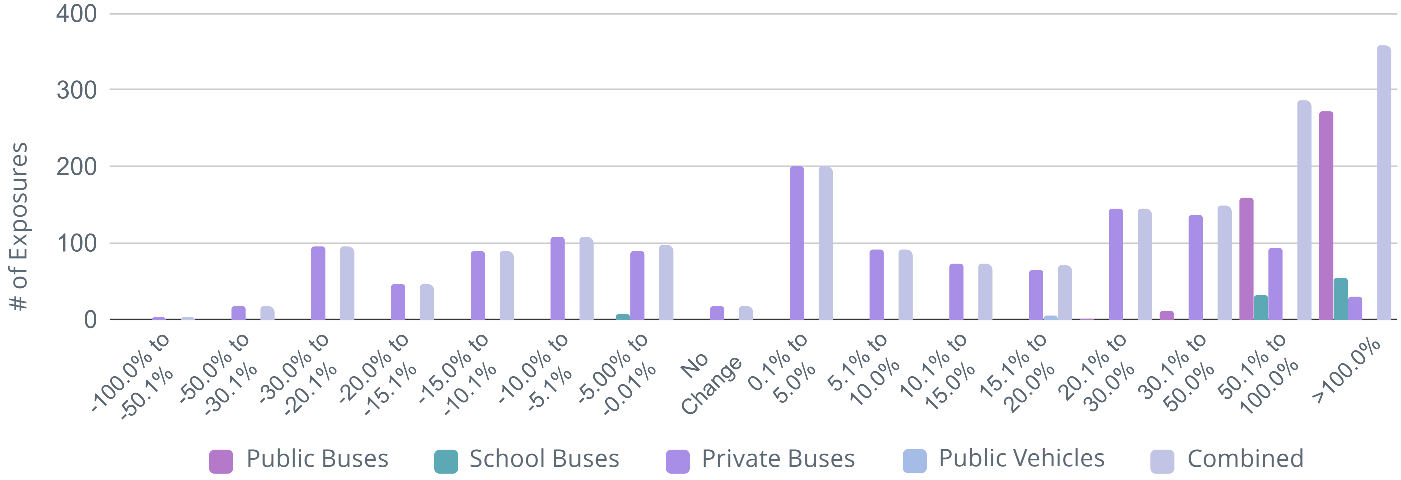
Premium Change	Vehicles	Average Premium Change
<-$500	0	
-$500 to $301	0	
-$300 to $251	0	
-$250 to $201	0	
-$200 to $151	0	
-$150 to $101	38	-$177
-$100 to $51	840	-$66
-$50 to $0	27,099	-$15
No Change	5,322	$0
$0 to $50	5,678	$5
$51 to $100	0	
$101 to $150	0	
$151 to $200	0	
$201 to $250	0	
$251 to $300	0	
$301 to $500	0	
>$500	0	
Total	**38,977**	**-$11**

* Trailers include camping trailers such as those which are enclosed and intended for outdoor camping, and utility trailers which are typically not enclosed and intended for non-professional hauling.

SERVICE & PUBLIC VEHICLES

The following sections summarize the distribution of premium impacts for school buses, public vehicles, private buses, public buses, and other vehicles.

Distribution of Premium Changes for Service & Public Vehicles



Dollar Premium Dislocation for Service & Public Vehicles (Chart is Continued on the Next Page)

	Combined*		Public Buses Only		School Buses Only	
Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change
<-$500	235	-$1,482	0		0	
-$500 to $301	68	-$430	0		0	
-$300 to $251	26	-$272	0		0	
-$250 to $201	24	-$221	0		0	
-$200 to $151	28	-$173	0		0	
-$150 to $101	13	-$128	0		0	
-$100 to $51	42	-$81	0		8	-$92
-$50 to $0	30	-$27	0		0	
No Change	17	$0	0		0	
$0 to $50	54	$30	0		0	
$51 to $100	135	$79	0		0	
$101 to $150	32	$126	0		0	
$151 to $200	26	$183	0		0	
$201 to $250	22	$239	0		0	
$251 to $300	39	$289	0		0	
$301 to $500	197	$411	1	$488	0	
>$500	878	$2,689	445	$3,634	87	$2,134
Total	**1,866**	**$1,104**	**446**	**$3,627**	**95**	**$1,947**

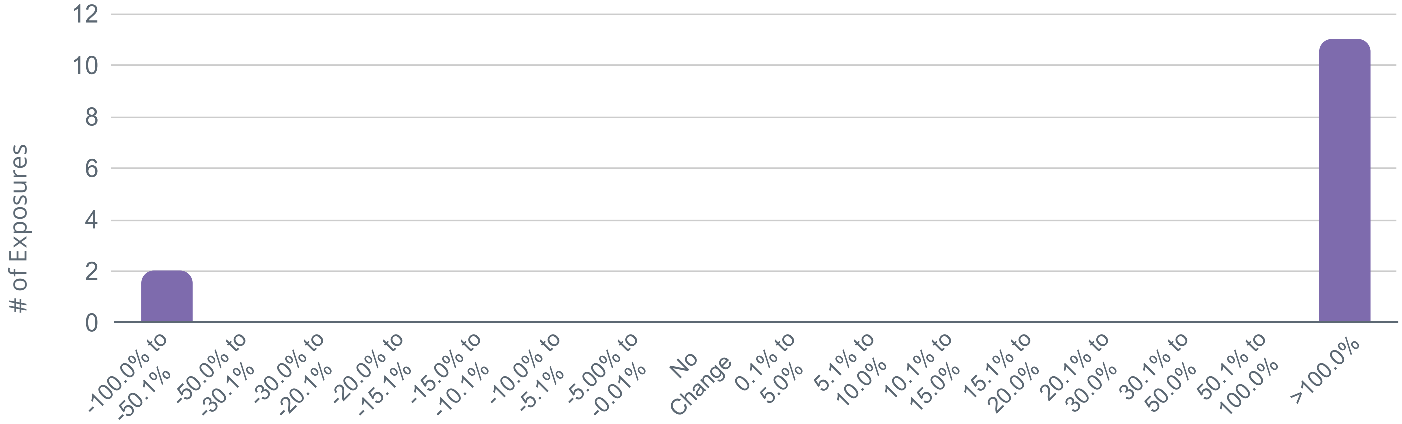
* Combined total vehicles does not equal to sum of each column due to filings containing multiple, which are not listed separately in this table.

Dollar Premium Dislocation for Service & Public Vehicles (Continued from the Previous Page)

	Private Buses Only		Public Vehicles Only	
Premium Change	Vehicles	Average Premium Change	Vehicles	Average Premium Change
<-$500	235	-$1,482	0	
-$500 to $301	68	-$430	0	
-$300 to $251	26	-$272	0	
-$250 to $201	24	-$221	0	
-$200 to $151	28	-$173	0	
-$150 to $101	13	-$128	0	
-$100 to $51	34	-$79	0	
-$50 to $0	30	-$27	0	
No Change	17	$0	0	
$0 to $50	54	$30	0	
$51 to $100	135	$79	0	
$101 to $150	32	$126	0	
$151 to $200	26	$183	0	
$201 to $250	22	$239	0	
$251 to $300	39	$289	0	
$301 to $500	190	$409	6	$456
>$500	346	$1,612	0	
Total	**1,319**	**$193**	**6**	**$456**

OTHER VEHICLES

Distribution of Premium Changes for Other Vehicles*



Dollar Premium Dislocation for Other Vehicles

Premium Change	Vehicles	Average Premium Change
<-$500	2	-$3,359
-$500 to $301	0	
-$300 to $251	0	
-$250 to $201	0	
-$200 to $151	0	
-$150 to $101	0	
-$100 to $51	0	
-$50 to $0	0	
No Change	0	
$0 to $50	0	
$51 to $100	0	
$101 to $150	0	
$151 to $200	0	
$201 to $250	0	
$251 to $300	0	
$301 to $500	11	$433
>$500	0	
Total	**13**	**-$150**

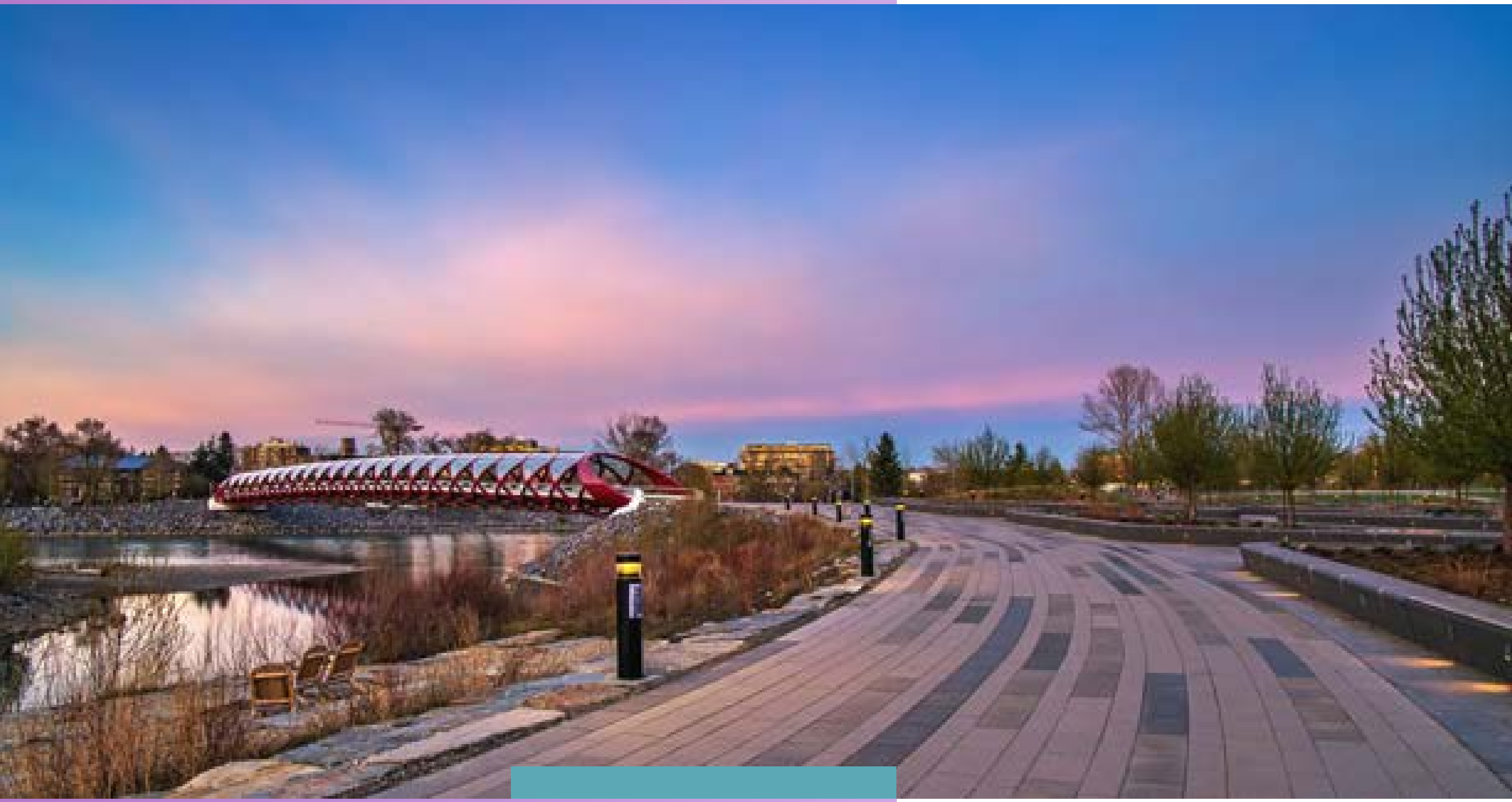
* Includes specialized vehicle types which do not fall within the standard passenger, commercial, or recreational vehicle categories, such as funeral carriages and hearses.

Automobile Insurance Rate Board
#2440, 10303 Jasper Avenue
Edmonton, AB T5J 3N6

780.427.5428

airb@gov.ab.ca

airbfordrivers.ca



AIRB AUTOMOBILE INSURANCE RATE BOARD