



# Alberta Private Passenger Vehicle Auto Insurance Data

There are 40 companies in Alberta that compete to provide auto insurance coverage to the province's 2.8 million drivers.

It is mandatory for all drivers to obtain at least \$200,000 in third-party liability, accident benefits, and Direct Compensation for Property Damage (DCPD) coverages. Additional coverages, such as collision and comprehensive, are also widely available for purchase, but are not required by law.

The Alberta government (via the [Office of the Superintendent of Insurance](#)) prescribes and regulates insurer practice in the marketplace, and insurer rates must be submitted to, and approved by, the [Auto Insurance Rate Board](#).

The data on this page is compiled by the [General Insurance Statistical Agency](#) (GISA), which serves as the statistical agent for insurance regulators across Canada, including Alberta.

GISA is the authority on auto insurance data and statistical information in all provinces with competitive auto insurance markets. GISA's mission is to provide effective oversight of statistical plans and related insurance data, ensuring that timely, reliable, accurate and value-added information is efficiently produced to meet the needs of an evolving insurance marketplace.

Insurance Bureau of Canada aims to provide transparency and accuracy in the reporting on industry trends and results for private passenger vehicle insurance in Alberta. The data provided below is the most recent available from GISA and is updated regularly.

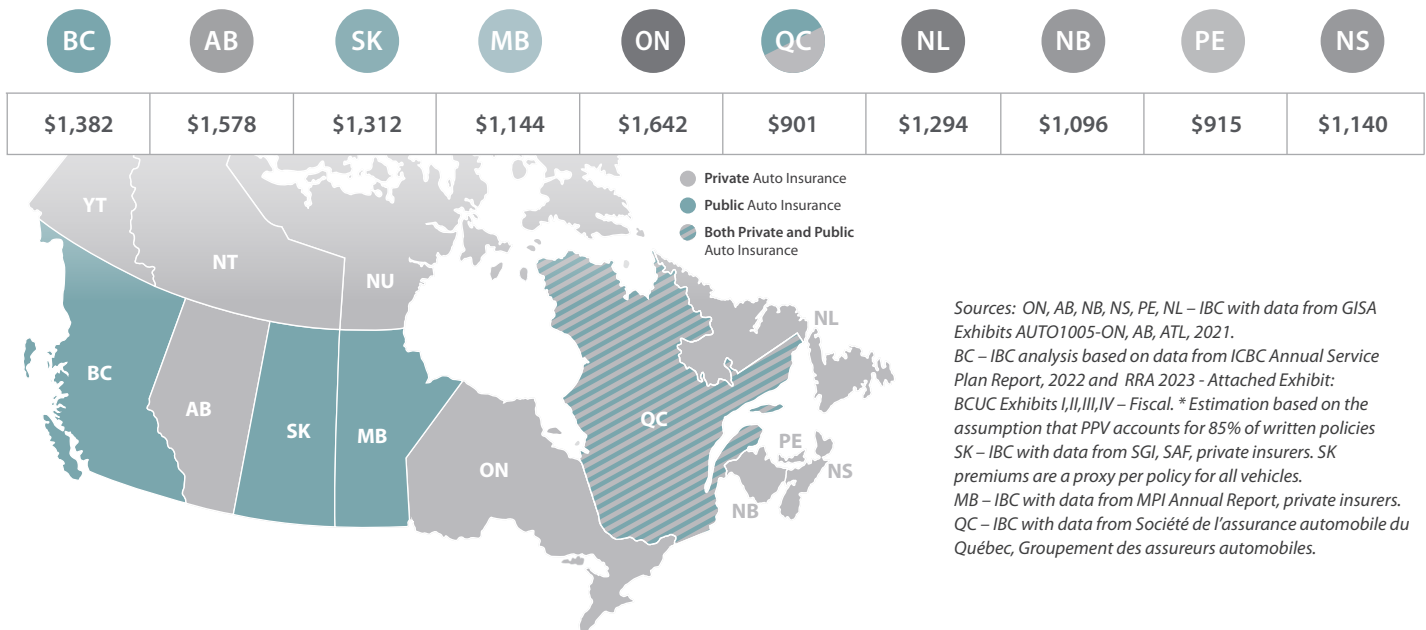
Data regarding provinces with government-run auto insurance is taken from the relevant Annual Reports of those crown agencies providing coverage, and is calculated using the same methodology as used in private provinces to create an accurate comparison.

## Average Written Premiums

The majority of provinces in Canada operate private auto insurance systems. While some of the regulations governing the system may vary, all provinces with private-sector delivery of auto insurance include the ability to sue for damages, such as future medical care or income loss. Provinces with public auto insurance regimes, like British Columbia, Manitoba and Saskatchewan, operate pure no-fault models, with very limited ability to sue. In Saskatchewan, consumers have the choice of a full-tort option, where they are entitled to sue, or full no-fault, where they have a very limited right to sue. The vast majority of Saskatchewan drivers choose the no-fault product. In Quebec, the government administers the insurance regime for bodily injuries, while the private sector provides an insurance regime for physical damage. Full-tort systems – where you can sue an at-fault driver for pain and suffering as well as medical costs - have higher claims cost than public no-fault.

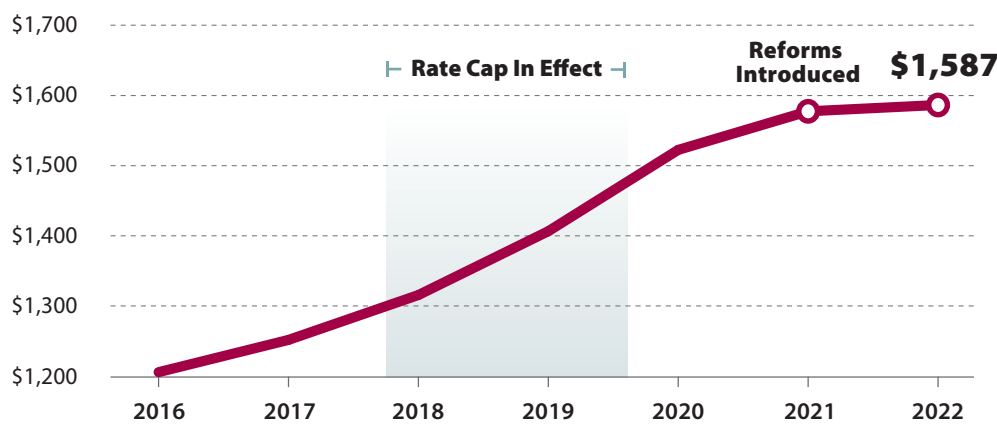


## Average Written Premium 2021



Sources: ON, AB, NB, NS, PE, NL – IBC with data from GISA Exhibits AUTO1005-ON, AB, ATL, 2021.  
 BC – IBC analysis based on data from ICBC Annual Service Plan Report, 2022 and RRA 2023 - Attached Exhibit: BCUC Exhibits I,II,III,IV – Fiscal. \* Estimation based on the assumption that PPV accounts for 85% of written policies  
 SK – IBC with data from SGI, SAF, private insurers. SK premiums are a proxy per policy for all vehicles.  
 MB – IBC with data from MPI Annual Report, private insurers.  
 QC – IBC with data from Société de l'assurance automobile du Québec, Groupement des assureurs automobiles.

## Auto Insurance Premiums – Alberta



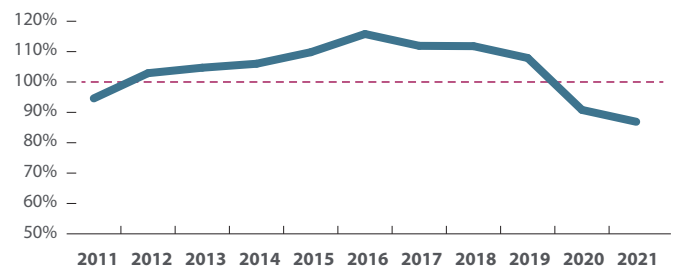
Source: 2016-2021: IBC with data from GISA Exhibit AUTO1005-AB-2020, 2021  
 2022: IBC analysis based on GISA Entry Month Data, estimation

In Alberta, average written premiums, the premiums paid by consumers, have been stable in recent years. While full year 2022 data is not yet available, the 2022 figure is an estimation using monthly premium figures from GISA. IBC takes a simple average of both the 12 monthly written vehicles figures and written premiums figures, and then divides written premiums by written vehicles to derive the annual average for 2022.

## Alberta Combined Ratios

A combined ratio is calculated by taking the sum of incurred losses and expenses and then dividing them by the earned premium. The threshold between profit and loss is measured as 100%. Anything below 100% indicates an underwriting profit. **Anything over 100% indicates an underwriting loss, and means insurers are paying more in claims than they are collecting in premiums.** Over the past 10 years, Alberta's insurers recorded a combined loss ratio of 104.0%. In 2020 and 2021, the pandemic led to a significant reduction in driving levels, and insurers experienced a reduction in claims costs. These are the first two years in over a decade that insurers made an underwriting profit on auto insurance in Alberta. In response, Alberta's insurers provided \$254 million in premium relief and rebates to consumers between 2020 and 2021.

## Alberta Combined Loss Ratios

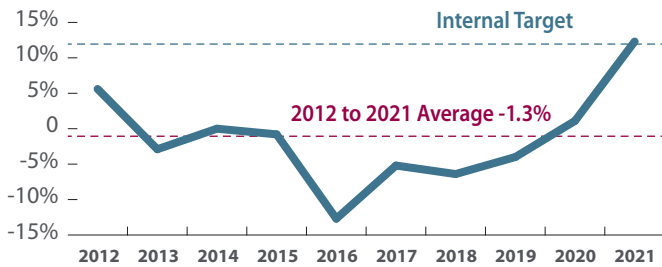


Source: 2013 to 2021 - IBC analysis based on industry data from GISA Exhibits AUTO9502, AUTO1005-AB\_2021, 2020, 2019, 2018, 2017.  
 2011 to 2012 - IBC analysis based on industry data from GISA Exhibits AUTO1005-AB\_2021, 2020, 2019, 2018, 2017.

## Return on Equity

The industry Return on Equity (ROE) is determined by dividing the company's net income by its average shareholders' equity. Because shareholders' equity is equal to assets minus liabilities, ROE is essentially a measure of the return generated on the net assets of the company. The average ROE for PPV insurance in Alberta over the past 10 years is -1.3%, well below the the regulator-approved long-term ROE internal target of between 10% and 12%. This indicates an overall loss over the past 10 years for the companies selling auto insurance in Alberta, even when accounting for investment income.

### Return on Equity

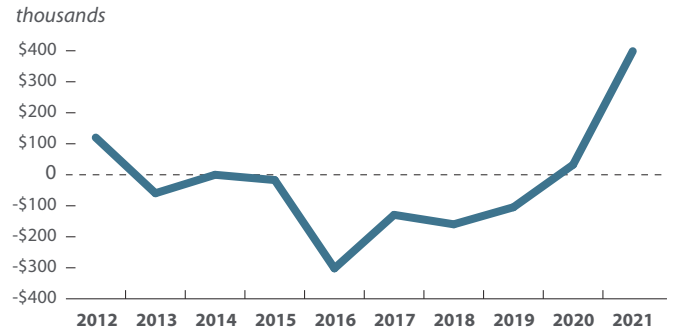


Source: IBC with industry data from GISA Exhibits AUTO9501-AB\_2021, 2020, 2019, 2018, 2017, 2016. 2011 not available.

## Net Income (Loss) For the Year

Over the past 10 years, Alberta's private insurers have lost \$220,860,000 on the sale of auto insurance. In fact, since 2012, there have been only three years where insurers made a profit, two of those being during the pandemic when driving levels and claims costs plummeted.

### Net Income (Loss) For the Year



Source: IBC with industry data from GISA Exhibits AUTO9501-AB\_2021, 2020, 2019, 2018, 2017, 2016.

## Contact us

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