

Alberta's Competitive Insurance Market

Working to Deliver Affordable, Sustainable Coverage

Alberta's insurers play a key role in supporting the provincial economy. Insurance products and services allow different risks to be managed, enhancing peace of mind and promoting financial stability. Insurance protects supply chains, promotes economic growth, and, when disaster strikes, insurers are there to help people and businesses recover.



Alberta's Insurance Industry Helps Keep Our Economy Moving



Insurers support almost **17,000** Alberta jobs across the province. Adding in brokers and agencies, total employment is **32,000**.



The majority of industry activity is spread among small firms and brokerages in cities and towns across the province.



Insurers contribute **\$4 billion** to the province's GDP.



Insurers contribute **\$680 million** in provincial taxes annually.

Helping to Protect Albertans

The insurance industry is proud to support Albertans through good times and bad.



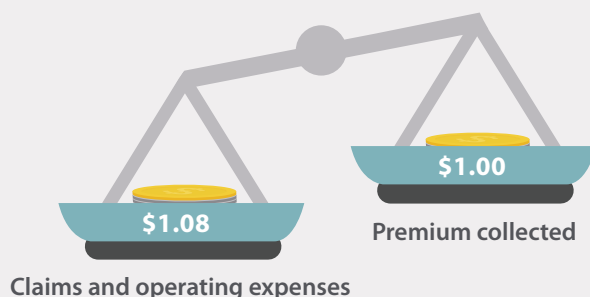
The P&C insurance industry pays out \$5 billion in claims annually to help people recover from auto collisions and rebuild their homes and businesses after catastrophes and other unforeseen events.



In 2022, the P&C insurance industry invested about \$22 billion in provincial, municipal, public authority, and school bonds. Government bonds are a key source of provincial revenue that supports services and critical infrastructure investments that benefit the public at large.



Since 2020, insured losses due to severe weather in Alberta total more than \$3.6 billion. Over \$700 million of that went to insurance claims involving damaged vehicles.



Current Situation

Industry losses continue to mount.

Over the last decade, auto insurers have paid out **\$1.08** in claims and operating expenses for every \$1 of premium collected.

This is not sustainable.

Alberta's Auto Insurance Rate Cap

Alberta has introduced a rate cap for 'good drivers' as a short term solution to help improve affordability while government explored long-term reforms.

At least 17 insurers are losing money on the sale of auto insurance, and one company has left the market all together. Unable to obtain the rates needed to cover growing claims costs, insurers have been forced to scale back their offerings and, for consumers, it's growing more difficult – and costly – to insure their vehicle, with less choice available.

Increasing Legal Claims Costs

From 2012 to 2022, the average bodily injury claim cost rose **78%** from **\$45,463** to **\$81,139**.

These legal costs are the largest pressure on premiums and must be addressed to improve affordability for drivers.



Solutions

Improving the state of Alberta's insurance market requires swift action.

The government can make a difference by:



End the Rate Cap to allow the competitive market to offer more choice for drivers.



Address soaring legal costs by giving drivers more control over their coverage options.



Improve Alberta's regulatory model and introduce common sense solutions to keep auto insurance available and affordable for Alberta's 3 million drivers.

About Us

Established in 1964, Insurance Bureau of Canada (IBC) is the national trade association representing Canada's private home, auto and business insurers. Its member companies represent the vast majority of the Canadian property and casualty insurance market. IBC works on a number of fronts to increase public understanding of home, auto and business insurance.

Contact us

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