

# Automobile Insurance Rate Board

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July 31, 2006

## **Alberta drivers to see another reduction in premiums**

Edmonton... On November 1<sup>st</sup>, Alberta drivers will see a three per cent reduction in premiums for mandatory auto insurance. This reduction will come into effect for Albertans upon renewal of their mandatory coverage, and brings total reductions since reforms were introduced to 18 per cent. The reduction comes as part of the annual review of compulsory auto insurance premiums by the Automobile Insurance Rate Board (AIRB).

"The AIRB has been diligent in following its mandate, and has been open and accountable in the process," said Minister of Finance Shirley McClellan. "Premium reviews are an important part of auto insurance reform and a good example of how Albertans are benefiting from the process."

In setting the new rates, the board considered input from Albertans and the board's consumer representative during three days of public meetings in June. Input from industry and the Insurance Bureau of Canada was also considered.

The AIRB's mandate is to set premiums for mandatory auto insurance coverage for private passenger vehicles, monitor premiums for optional coverage, and review and approve rating programs for new insurers entering the Alberta market. The AIRB annually sets the maximum premiums for mandatory coverage that all automobile insurers can charge. The reduction applies to premiums for compulsory auto insurance only, not for optional coverage. Optional coverage will continue to be monitored by the AIRB.

"The AIRB's primary focus is to make sure consumers continue to have access to fair auto insurance," said board chair Alf Savage. "Overall, with the latest reduction, Alberta drivers will have saved more than \$1 billion compared to rates prior to the reforms being introduced."

When the automobile insurance reforms went into effect on October 1<sup>st</sup>, 2004, Alberta drivers received a five per cent reduction. On July 1<sup>st</sup>, 2005, rates were reduced another six per cent. The initial annual review process in 2005 further reduced premiums for mandatory coverage by four per cent.

For more information visit the board's web site at [www.airb.gov.ab.ca](http://www.airb.gov.ab.ca) or call (780) 427-5428, or toll free at 310-0000.

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This information is available on the Auto Insurance Rate Board homepage at: [www.airb.gov.ab.ca](http://www.airb.gov.ab.ca)

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