



July 29, 2010

Mandatory auto insurance premiums decreasing five per cent

Edmonton... As a result of its annual insurance rate review, the Automobile Insurance Rate Board (AIRB) is directing Alberta insurers to reduce premiums on mandatory automobile insurance by five per cent this year.

“This reduction is primarily the result of a projected decline in the number of bodily injury claims in the province this coming year,” said Alfred Savage, AIRB chair. “The decrease will save Alberta drivers an average of \$30 per year on their mandatory insurance premiums.”

The [decision to reduce premiums this year](#) was based on input from Albertans, the board’s consumer representative, the board’s actuary, and insurers during an open meeting in June. The AIRB also considered expected claims and administrative costs for insurance companies.

The premium reduction takes effect November 1.

This adjustment applies only to mandatory coverage, which is required by law and includes third party liability and accident benefits coverage. It does not include optional collision or comprehensive coverage. Those premiums are set by individual insurance companies.

Since the introduction of auto insurance reforms in 2004, premiums for mandatory auto insurance coverage have decreased by 23 per cent.

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 charge.

The board is required to review auto insurance rates every year and announce any changes by August 1. Any adjustments take effect November 1 of the same year.

For more information, visit the board’s website at www.airb.alberta.ca or call 780-427-5428 (toll free at 310-0000).

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