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FOR IMMEDIATE RELEASE:

## **Insurer Pullout Highlights Need for Changes**

Insurer Pullout Indicates Greater Change is Necessary within Alberta Auto Insurance

**[July 18, 2023] (EDMONTON, AB):** The announcement yesterday that an insurance carrier is removing themselves from the personal auto insurance market in Alberta should be concerning to Albertan consumers. In recent years, the Insurance Brokers Association of Alberta (IBAA) repeatedly warned government officials that rate pauses like the one enacted this past January may result in the withdrawal of insurance carriers from the Alberta Market. The ongoing concern is that the withdrawal of one carrier puts additional pressure on the remaining insurers to pick up the slack to ensure the drivers that are being cancelled have adequate coverage. This could cause a domino effect within the industry if we do not see meaningful reforms in the personal auto insurance sector very soon.

IBAA has and will continue to advocate for more lasting reforms for auto insurance in Alberta. Our suggestion for immediate relief of insurance costs without the need for a rate pause would be for the provincial government to suspend the provincial tax on insurance premiums for personal auto insurance. This would result in immediate premium reduction for all Alberta drivers while long-term solutions are implemented.

In order to make meaningful change in the long term, we support changes to the insurance regulations to allow drivers to have more choice in how they purchase insurance, with options to choose a limited right to sue for minor injuries, while still maintaining the right to sue for major injury. We also feel strongly that premiums charged should be based on the risk, and that good drivers should not need to subsidise bad drivers. Along with this change, IBAA would like to see an immediate increase in pre-approved treatment provisions for injured motorists, with a 'care not cash approach' to minor injuries.

IBAA agrees with Minister Horner that a complete no-fault system is not beneficial to Albertans and should not be implemented in Alberta. However there is an urgent need for meaningful change to the current system. We hope to continue to work with the Finance Ministers office, The Insurance Bureau of Canada, and the insurance carriers operating in Alberta, to enact sustainable changes to our auto insurance system that will see long lasting benefits to the consumers of Alberta while maintaining a strong competitive marketplace that meets the needs of our drivers.

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*IBAA is a non-profit trade association representing over 4200 broker members working through about 260 individual brokerages across Alberta, the Yukon, the Northwest Territories, and Nunavut.*

**If you would like more information about our position on the above, please contact Jhnel Weller-Hannaway at 1-780-394-5954 or [jwellerhannaway@ibaa.ca](mailto:jwellerhannaway@ibaa.ca)**