



IBC
Insurance Bureau
of Canada



Is there anything that can be done right now to lower auto premiums?



Alberta's auto insurance market is under strain. Following a one-year rate freeze, the Government of Alberta has instituted a rate cap for 'good drivers', while it explores long-term reforms. Despite their intention, these interventions offer no savings to Alberta families.

That's why Insurance Bureau of Canada has put forward a series of reforms that would deliver savings to consumers today and into the future. Our ***Enhancing Care & Expanding Choice*** proposal would give drivers more choice and new coverage options to save up to \$200 annually, while doubling the treatment and care they receive after a collision.

To provide more immediate savings, **IBC has recommended that government remove the 4% Insurance Premium Tax to reduce your insurance bill and put money back into your pocket.** This tax is applied on every auto insurance policy, and removing it – similar to action the Alberta government has taken on the fuel tax – would save drivers an average of \$67 annually.

There are also regulatory improvements that can help reduce the price of auto insurance by cutting red tape and making it easier for insurers to provide savings to good drivers. One example is Alberta's Grid framework, which was created to make insurance more affordable for new drivers. While that's important, the Grid has grown in recent years and now caps insurance rates for high-risk drivers generally. In 2024, Alberta's Auto Insurance Board proposed substantial changes to improve the Grid framework, however, IBC continues to call for its removal as part of the longer-term reforms being considered for Alberta's auto insurance system. Learn more about IBC's recommendations to improve affordability [here](#).

All told, Alberta's insurers have brought forward recommendations that could save drivers up to \$325 on their auto insurance. It's past time for half-measures. It's time for real change, and real savings.