

# **Consumer Perspectives on Automobile Insurance**

## **Report of the Consumer Representative**

**For the August 14, 2018 Annual Review Meeting  
Edmonton, Alberta**

**Submitted by:**

Chris Daniel, Consumer Representative  
Alberta Automobile Insurance Rate Board

August 14, 2018

Charlene Butler, Acting Chair  
Automobile Insurance Rate Board  
Suite 2440, 10303 Jasper Avenue  
Edmonton, AB T5J 3N6

Dear Ms. Butler:

As part of the Consumer Representative's responsibilities, I continue to conduct an independent and impartial review of consumer opinions and perspectives on automobile insurance in the province of Alberta. The purpose of my review is to ensure Alberta consumers are appropriately and adequately represented in the Annual Review process that establishes industry benchmarks for the Board's use in its review of insurer filings.

The review encompassed a variety of relevant issues pertaining to the availability and affordability of automobile insurance.

In my role as the Consumer Representative it is fundamental that the consumer has a right to be heard and represented in the decision making process that affects the Grid and the industry benchmarks.

The views expressed in this presentation are that of Alberta consumers and a synopsis of their comments by way of the appointed independent research company and the undersigned.

Please accept the following as my report to the Board and I look forward to discussing my findings on Tuesday, August 14<sup>th</sup>, 2018 in Edmonton at the Annual Review Meeting.

Sincerely,

*{Original signed}*

Chris Daniel  
Consumer Representative

Attachment

## *The Consumer Representative*

The Minister of Finance first appointed a Consumer Representative in 2004, in accordance with the Insurance Act amendments made at that time. This addition to the Board ensures that Albertans have a voice and are represented in both the Annual Review process and the rate approval process of the Automobile Insurance Rate Board (AIRB).

Since the first appointment, the role of the Consumer Representative has continued to expand its interactions with Albertans, seeking to engage topical issues of the time and including information relevant to other ministries, such as traffic safety.

I was first appointed to the AIRB in March 2011. After serving a 3-year term as a public member, I was appointed to the position of Consumer Representative. The Consumer Representative ensures the interests of consumers are considered in all decisions made by the AIRB. Consistent with this role and in accordance with legislation, I worked independently to collect consumer comments and concerns to share with the AIRB during its Annual Review Meeting. The information collected from consumers across Alberta is reflected in this report.

As a retired senior insurance executive with over 35 years' experience in the insurance industry, I have dealt with consumer organizations and developed programs for their members that addressed consumer needs. My board experience includes serving as a Director of the Insurance Brokers Association of Alberta and numerous other community boards, including Wellspring Edmonton, Compassion House Foundation, Development Appeal Board for the County of Wetaskiwin, and the Wizard Lake Stewardship and Watershed Association.

My passion to make a difference in the community and focus on fairness and consumer satisfaction was acknowledged when I was awarded the Queens Golden Jubilee Medal for service to the community. Prior to joining the insurance profession, I served as a Police Constable and serious traffic investigator with the London/ Worcester Metropolitan Police force U.K. and subsequently the Toronto, Ontario police force.

## Background

The Government of Alberta mandates the regulation of automobile insurance premiums with the goal of providing consumers with an efficient and effective automobile insurance market with fair and predictable premiums. The Government's regulatory framework has four key features: Grid rating program, an all-comers rule, a cap on pain and suffering awards for minor injuries, and the regulation of rating programs for mandatory and optional coverage by the AIRB. Refer to Appendix A for details of these features.

## Expectations of Consumers

Consumers have several expectations with respect to automobile insurance. These include:

- **Affordable rates.** Driving a vehicle is a necessity for many Albertans and therefore they need to be able to insure their vehicle for a fair and reasonable premium.
- **Stable rates.** Most households count on expenses being reasonably predictable so they can manage within their budget. A large increase in automobile insurance premiums in one year can disrupt household budgets.
- **Availability.** Insurance for young drivers and drivers with a series of "at fault accidents" or driving convictions needs to be available and premiums should not be punitive or so high that these drivers fail to carry insurance, thus creating potential issues for consumers.
- **Service.** While new drivers tend to choose their insurance provider based on price, experienced drivers also consider service related to their purchase and claims experience and they will stay with their insurer as a result of good service.

## *How I Connected with Consumers*

The AIRB contracted an independent marketing research company to conduct a telephone survey of 601 insurance consumers across the province regarding:

- Their experience in obtaining insurance
- Whether they sought competitive quotes
- Their collision history and experience in resolving any claims
- Experience with insurance company complaint resolution
- Their impression of how fair and reasonable their premium levels are
- Level of understanding of insurance coverages
- Demerits and increased fines for distracted driving
- Safety of autonomous vehicles
- Usage Based Insurance
- Driving while under the influence of cannabis

Annual telephone surveys have been conducted in 2005 and annually since 2008; selected questions are replicated to allow for comparison of the responses from year to year which can be found in the “2018 Banister Public Perception Survey Report”. See Appendix D.

I personally spoke with 49 individuals who were included in the initial survey, representing communities around the province, to further discuss their automobile insurance experience. The individuals were contacted either through focus groups or by telephone in rural communities outside of Edmonton and Calgary. I conducted four focus groups, one general audience in each of Edmonton and Calgary, one seniors group and one specific for youth. For information on the methodology of the surveys and focus groups refer to Appendix B.

As an added dimension this year, a web survey was conducted as an alternate method to elicit feedback from Albertans. A total of 10,000 surveys were sent and 587 consumers responded. The relevant findings in comparison to the telephone survey are included in Appendix C.

In June a notice was placed on the AIRB website and in Alberta newspapers informing the public of the August 14<sup>th</sup> Annual Review Meeting and inviting consumers to submit their comments or concerns to the Consumer Representative.

I reviewed the number of calls to the Office of the Superintendent of Insurance and the AIRB from consumers and the nature of the issues that were raised over the past year. I also surveyed the Insurance Brokers Association of Alberta and Insurance Bureau of Canada to determine any issues that consumers have had in obtaining automobile insurance over the past year.

## What I Found

### How Consumer's Voice is Heard

A robust consumer voice is vital to the accountable and efficient delivery of automobile insurance. A total of 1,188 individuals were contacted by phone and web surveys. In addition, focus groups and in-depth phone interviews were conducted to obtain anecdotal feedback from a further 49 individuals. These provided an opportunity to further explore consumer perceptions towards automobile insurance to ensure fairness, affordability and accessibility and these face-to-face interviews proved invaluable to the overall process and to create educational opportunities with consumers with respect to automobile insurance.

### Focus Groups Results

The focus groups were conducted with a total of 39 participants; Calgary (12), Edmonton (9), St. Albert Seniors Association (10) and Youth Group (8). The following is a synopsis of their views, which provides the best barometer of consumer opinions.

	Calgary	Edmonton	Seniors	Youth
<b>Feel premiums are reasonable</b>	38%	78%	30% <sup>1</sup>	37% <sup>2</sup>
<b>Obtained comparative quotes<sup>3</sup></b>	92%	66%	60% <sup>4</sup>	75%
<b>Willing to try Usage Based Insurance</b>	83%	86%	80% <sup>5</sup>	80%
<b>Feel current penalties for distracted driving are insufficient</b>	42%	55%	90% <sup>6</sup>	50%
<b>Would use autonomous vehicles</b>	58%	56% <sup>7</sup>	99%	50%
<b>Driving under the influence of cannabis is unsafe</b>	80%	78%	N/A	80%
<b>Would like to receive electronic insurance documents</b>	100%	67%	44%	88%

<sup>1</sup> 70% of seniors felt their premiums were not reasonable. They view automobile insurance premiums as expensive due to being on a fixed income.

<sup>2</sup> 63% felt premiums were not reasonable; premiums increase annually even though they had no claims or traffic convictions.

<sup>3</sup> The majority of the focus group respondents preferred speaking in person as opposed to obtaining a quote on-line.

<sup>4</sup> The majority remained with their existing insurer, confirming that they were satisfied with their existing company.

<sup>5</sup> The seniors generally welcomed technology and were willing to try UBI in order to save money.

<sup>6</sup> 90% of the seniors surveyed did not agree the current penalties were effective for distracted driving; they felt the penalties were too lenient, and expressed concerns about the safety risk, distracted drivers pose on the roads.

<sup>7</sup> The remainder indicated their main concerns were hacking, safety and privacy.

Other Comments from Focus Groups:

#### **St. Albert Seniors' Group**

- Biggest frustrations with driving included lack of common courtesy and failure of others to obey traffic signs and rules. One participant responded, "Signal lights have gone out of style".
- The majority of respondents indicated they were extremely satisfied with the policy and claims service that they received from their insurance provider.
- The seniors group presented a wealth of knowledge and experience and were able to provide well articulated and informative feedback.

#### **Youth Group (21-29 years of age)**

- Majority preferred to obtain their quotes on-line.
- Majority were concerned with about how they can reduce their premiums.
- Half of the group believes the current penalties for distracted driving are ineffective. One comment made was "people who text and drive have nothing to live for".

#### **In Depth Phone Interviews (Rural Alberta)**

There were 10 individuals involved in in-depth telephone interviews, lasting between 20 to 45 minutes. This provided an opportunity for consumers to answer pre-set questions and elaborate on their answers as well as an opportunity to discuss issues regarding automobile insurance that required explanation or clarification. No accurate statistical data can be measured from this group however the following represents highlighted comments:

- **Distracted Driving**
  - Penalties should be graduated such as \$500-first offence, \$1,000-second \$1,500-third and so forth, three demerit points each offence.
  - Insurance companies should communicate how premiums may be affected by distracted driving convictions.
    - Comment from one consumer also included "distracted driving" the use of mobile phones to talk, text and visit E-mail was "Out of control"
  - Police should impound vehicles for 24 hours when caught distracted driving.
- **Autonomous Vehicles**
  - Concerns raised that in rural areas satellite services are often unreliable.
  - Hacking into vehicle data may result in potentially dangerous situations.
  - Weather conditions, lack of road maintenance, snow removal and animal hazards all may affect operation of these vehicles.
  - 90% of individuals surveyed considered these vehicles unsafe at the present time.
- **Driving Under the Influence of Cannabis**
  - 100% considered not safe to drive under the influence.
- **Shopping Around**
  - In 2018, 60% of respondents indicated that they had sought alternate quotes and over 50% indicated they went on-line and subsequently spoke to an agent.
  - When asked if their premiums were reasonable, 50% responded yes.
  - Whilst many consumers rely on their insurance broker to compare insurance rates on their behalf, increasing numbers of consumers are using the internet to obtain comparative quotes and finding the process relatively easy to navigate.

- **Electronic Insurance Documents**

- 90% of the respondents would like to receive their insurance documents electronically, but would still like the option to receive them in a hardcopy form.

### Telephone Survey

The telephone survey was managed by Banister Research Limited. The age distribution for the 601 respondents was 32% (under 35 years), 36% (35 to 54 years) and 32% (55 years and older).

	Telephone
<b>Feel premiums are reasonable</b>	57%
<b>Obtained comparative quotes<sup>8</sup></b>	38%
<b>Willing to try Usage Based Insurance</b>	54%
<b>Feel current penalties for distracted driving are insufficient</b>	28%
<b>Would use autonomous vehicles</b>	27%
<b>Driving under the influence of cannabis is unsafe</b>	75%

### Web Survey

This survey was a new initiative for 2018 and introduced as an additional medium to capture the perspectives of consumers. The web survey was managed by the Communications and Public Engagement department of the Government of Alberta. The age distribution for the 587 respondents was 26% (under 35 years), 46% (35 to 54 years) and 28% (55 years and older).

	Web
<b>Feel premiums are reasonable</b>	34%
<b>Obtained comparative quotes</b>	54%
<b>Willing to try Usage Based Insurance</b>	50%
<b>Feel current penalties for distracted driving are insufficient</b>	26%
<b>Would use autonomous vehicles</b>	27%
<b>Driving under the influence of cannabis is unsafe</b>	75%

## Topics Consumers Shared Views On

### Are Premiums Fair and Reasonable

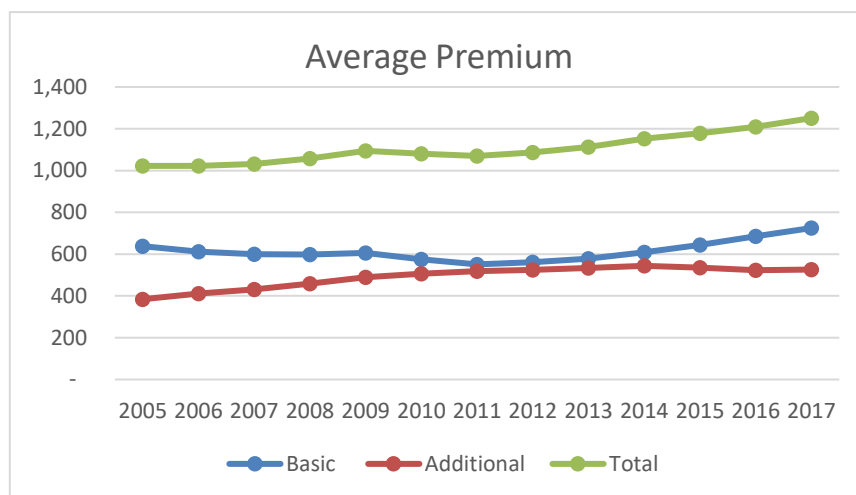
Of the consumers surveyed by telephone, 57% agreed with the statement that ‘Insurance premiums are fair and reasonable; in 2017 this number was 60%. When this question was asked of survey respondents in 2005, 46% agreed with this statement. Consumers consistently agree that premiums are continually rising even though they have no claims or convictions.

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<sup>8</sup> The majority preferred speaking in person as opposed to obtaining a quote on-line.



The average premium for basic and additional coverage in Alberta in 2017 was \$1,251, an increase of 6.1% over 2015 (\$1,179). The average premium in 2005 was \$1,023. Premiums have increased by \$228 since 2005, an average increase of 1.9% per year.



### Premiums for ‘High Risk Drivers’

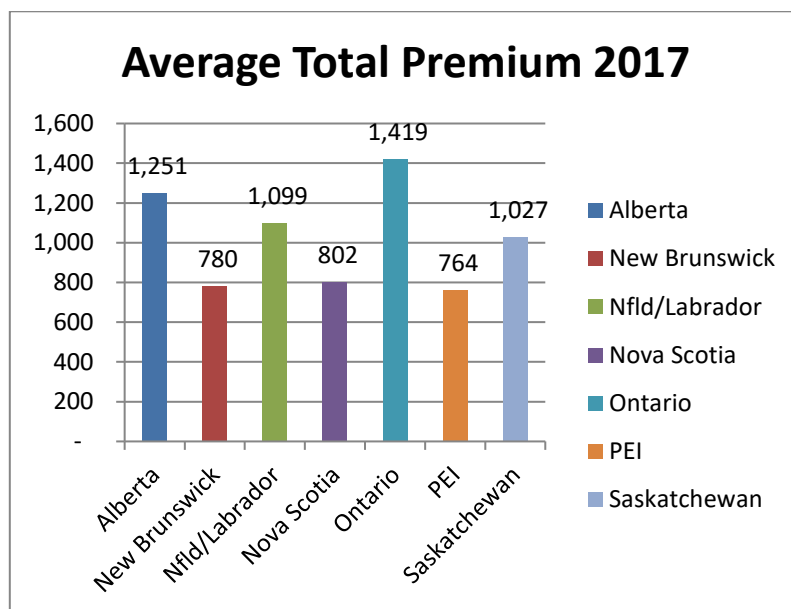
Virtually all of the consumers I consulted feel that “high risk” drivers deserve to pay high premiums. There is, however, a risk that when the premium becomes too high, individuals will drive without insurance as the enforcement and fines are not significant enough to deter them from doing so, since they are still lower than the premiums. The requirement of insurance is to protect the consumer from sudden and unexpected financial losses; it must be affordable and available to all.

The “all-comers rule” and the Grid rating program are important features of the Alberta insurance regulatory model that encourages drivers to carry insurance. The Grid sets a maximum premium for basic coverage that limits the premium for new drivers or drivers with a history of ‘at fault’ claims or driving convictions.

It is essential that the Grid continue to effectively limit the premiums that drivers pay for basic coverage as the pricing of insurance becomes more sophisticated. If Grid rates are not held to reasonable maximums, there is an increased risk that some drivers will elect to forego the purchase of insurance and “take their chances”.

## Comparing Premiums to Other Provinces<sup>9</sup>

The average written premium for private passenger vehicles in Alberta for 2017 was \$1,251. Alberta's average premium was lower than Ontario at \$1,419, but was higher than the average premium in New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. Ontario has enhanced accident benefits coverage compared to Alberta which largely explains the higher premiums in that province.



## Competitive Quotations

The telephone survey indicated that 38% of consumers polled obtained a competitive quote for insurance over the past 2 years. This has increased 90% from the 2017 survey results. Of the consumers who obtained a competitive quote, 86% of consumers stayed with their existing insurer. This was fairly consistent with survey results for the past five years. Whilst the majority of consumers stayed with their current insurer, those that did switch 17% reported they received lower premiums and the remainder felt the difference was not significant enough to change; this is up from 12% in 2017. The most common method of obtaining a quote involved consumers calling their broker or direct writer to obtain a quote (62% of respondents). With that said, the use of online quoting tools has increased 58% over the past year.

## Consumer Complaints

The Office of the Superintendent of Insurance indicates that the volume of calls from consumers regarding automobile insurance has not increased and that many of the calls are seeking information rather than making a complaint. The AIRB also keeps record of consumer complaints, and found that although the number of complaints has not increased significantly, those that have called are becoming more concerned due to the magnitude of increases without explanation from their insurance company on renewal.

<sup>9</sup> Sources: General Insurance Statistical Agency (GISA), SGI in Saskatchewan. The premium for Underinsured Motorist coverage has been removed from all applicable provinces.

### **Distracted Driving**

With the penalty for distracted driving being \$287 along with 3 demerit points recorded for the infraction, 64% of survey respondents and the majority of the focus group participants still felt that penalties for distracted driving are insufficient. At least 20% of consumers feel current penalties must be increased in order to curtail the escalation of this dangerous situation. Increased use of graphic educational material and more significant penalties are needed to reduce the incidences of distracted driving. In 2017, some insurance companies started surcharging premiums for this conviction; as a result, an insured's insurance premiums may increase.

### **Usage Based Insurance (UBI)**

The use of monitoring devices to determine vehicle usage was approved for use in Alberta effective April 1, 2016. The approved rating factors include acceleration, turning, speed, braking, time of day, distance driven and frequency of use. For "low risk drivers" and those drivers that use their vehicle infrequently, UBI can potentially provide a significant opportunity to reduce insurance premiums. An added feature provides the driver with a platform on which they can review their driving habits. By choosing to improve their driving habits the driver may experience financial reward by way of reduced premiums; this has proven to be the case in certain classes of drivers. Many of those who were interviewed were unaware this program was available in Alberta.

As UBI evolves it may result in increased segmentation of the market. Drivers with riskier driving behaviours or those drivers that choose not to use UBI could pay more than they currently do. Our discussions with focus group participants indicated a fairly high level of interest in using UBI. The objective of it is to reward those drivers with superior driving habits. Currently UBI is a discount only program.

### **Autonomous Vehicles**

Autonomous vehicles are self-driven or driverless vehicles that are capable of sensing the environment and navigating without human input, autonomous vehicles can detect surroundings using a variety of techniques, such as radar, GPS and computer vision. Of those surveyed, 39% indicated that they felt the roads would be safer if autonomous vehicles were allowed on Alberta roads.

### **Driving Under the Influence of Cannabis**

Consumers were asked how safe it is to drive while under the influence of cannabis. Of those surveyed, 10% felt it was safe; 90% of consumers are concerned about the safety.

## *My Observations*

The role of the AIRB is to regulate rating programs of Alberta automobile insurers to ensure premiums are fair and predictable that reflect current market conditions, therefore a balance between consumer needs and those of the insurance industry is paramount in ensuring a stable, affordable and accessible automobile insurance product. As the AIRB is evaluating rate adjustments and changes to the Grid, it must consider consumers' need for stable rates. If rate inadequacy indicates a rate increase, a gradual increase of rate adjustments would allow consumers time to accommodate any indicated rate increase. The AIRB approves rate filings from the insurance industry that include gradual increases of rate adjustments over a two year period provided the application conforms within current Regulations and Guidelines.

Automobile insurance premiums need to be affordable and reflective of driving habits rather than be punitive. While consumers feel that premiums for drivers with a poor driving record should be higher, the concept of insurance is to collect premiums from the many to pay for the claims of the few, hence spreading the cost of the risk over the many. Premiums should not be so high that drivers are unable to purchase insurance, drivers that do not carry insurance create an unfair-financial risk for the insured driver who has an accident with an uninsured driver.

The level of satisfaction with respect to premiums from the telephone survey with consumers during the past two years has deteriorated marginally - with respect to affordability, stability, availability and service. However, from the four "focus groups" and the web survey the level of premium satisfaction has deteriorated from previous years and is significantly lower on the web survey.

The public awareness of insurance in general terms has heightened in the past number of years due to recent catastrophes, rising crime in both urban and rural areas and the economic downturn in Alberta. As such the consumer recognize the significant role insurers play in society but are also cognizant about the increasing pressure on premiums for both automobile and residential insurance in the future.

In this past year, we continued to see increasing pressure on automobile insurance premiums, in particular the liability section as it pertains to bodily injury. The consumer has enjoyed stability of premiums since the formation of the AIRB in 2004, and expects the insurance industry and regulators to act responsibly in their deliberations whilst undergoing the current review process. Consumers cannot be expected to continue to bear the responsibility of the current regulatory framework resulting in premium increases beyond that which can be reasonably expected. The increases that the consumer has been experiencing in their automobile policies are especially evident in the bodily injury section of the policy. This is directly attributable to the current minor injury regulation and resulting claims settlements. Without changes to this regulation, by both Government and the insurance industry, will continue to affect the consumer if unabated.

In my position as a member of the AIRB, I have observed over the past two to three years the insurance industry reporting rate inadequacy **but refraining from requesting increases that match their indications**. Current restrictions, implemented in December 2017, limit the amount of increase that can be applied to overall individual company's premium level. The result is that rate pressure is building in the background whereby consumers may be facing increases beyond reasonable expectations, thus creating a "bubble effect". In order to reduce this pressure there is a need for either a significant improvement in claims experience and/or an adjustment to the current framework for private passenger automobile insurance.

Existing regulations must continue to evolve to respond to current pressures on rates and allow stakeholders to respond to changing needs, in order to protect the consumer from increases that go beyond that which can be reasonably anticipated. The impact of the recent changes to the Minor Injury Regulation will be monitored to determine the effect this will have on reducing the cost pressures on bodily injury claims.

Automobile insurance in Alberta is highly regulated. There are currently 67 insurance companies providing this insurance coverage to individuals and businesses in the province and four of these insurers represent 57% of the total premiums written. As evidenced by the 2018 consumer survey more individuals are seeking alternative quotations from other insurers than in previous years. Shopping around by consumers is highly recommended by the AIRB thus providing consumers with a choice in an open and competitive market.

Technological enhancements to the current automobile product such as Usage Based Insurance (UBI) should be encouraged by regulators to provide consumers with options that can assist with changing driver behaviour and in turn reduce their premiums in an effective mode.

In discussions with consumers, greater communication and education is required related to the areas that result in individual and overall insurance company premium increases. Examples of this are areas such as automobile thefts, hail and weather related losses, driving offences resulting in demerit points and catastrophe losses. By communicating to consumers on how to prevent and minimize losses this may assist in obtaining long term stability of individual insurance premiums. There are numerous ways this can be accomplished and I am recommending that the AIRB develop a communication strategy directed at consumers to enable them to make informed choices and decisions.

In conclusion all stakeholders must work together in a regulatory environment to address the challenges resulting from increased pressure on insurance premiums. The current review being undertaken by the Government working with the insurance industry to develop a medium to long term plan for sustainability and accessibility is essential in providing a product that meets the needs of all consumers at an affordable price.

### Features of the Alberta Automobile Insurance Legislation and Regulations

#### 1. *Grid Rating Program*

All insurance companies are subject to the Grid rating program, which establishes a base premium for third party liability and accident benefits coverage. The base premium is subject to discounts determined by the number of accident free driving years. Surcharges may be applied based on driving convictions and the number of at-fault claims. Insurance companies are required to compare a policyholder's Grid premium to the premium under the insurer's rating program, and apply the lesser of the two, subject to exceptions that relate to poor driving record.

#### 2. *The All-Comers Rule*

The all-comers rule requires insurance companies that are licensed to sell automobile insurance, to accept all applications for automobile insurance subject to the limited exceptions permitted under the *Insurance Act* and the *Adverse Contractual Action Regulation*. High-risk policies may be ceded to risk sharing pools. There is no limit to the number of Grid rated risks that can be ceded to the Grid risk sharing pool, though companies are limited to 4 percent of their portfolio for Non-Grid risks that can be ceded to the Non-Grid risk sharing pool.

#### 3. *Cap on Pain and Suffering Awards for Minor Injuries*

Pain and suffering awards for minor injuries as a result of an automobile accident after October 1, 2004, were capped at \$4,000 (\$5,080 as of January 1, 2018). If an injury is classified as a minor injury, as defined by legislation, the injured party cannot collect an award for pain and suffering that is greater than the cap amount that is annually adjusted for inflation. Injured persons with minor injuries may however, recover the full extent of damages for lost income, future income, medical and rehabilitation costs, and any other out-of-pocket expenses from the responsible party.

#### 4. *The Regulation of Rating Programs by the Automobile Insurance Rate Board (AIRB)*

The AIRB is an independent body that operates at arm's length from Alberta Treasury Board and Finance. The AIRB's mandate is to regulate insurers' rating programs and resultant premium level for mandatory and optional coverage, and to review and approve private passenger rating programs for new insurers.

In the regulation of rating programs, the AIRB focuses on the following core areas:

- **Annual Review:** Conducts an annual review to establish industry benchmarks to be used in the review of insurer filings for basic and additional coverage and adjust premium level for basic coverage under the Grid rating program.

- **Existing Insurers:** Review and approve proposed revisions to insurers' existing rating programs.
- **New Insurers:** Review and approve proposed rating programs for new insurers entering the Alberta market or existing insurers entering a new section of the market.

## Appendix B

### Survey Methodology

#### Telephone Survey

- Banister Research completed a total of 601 telephone interviews with residents of the Province of Alberta.
- 17,813 call attempts were made; the refusal rate was 84%.
- Telephone interviews were conducted from February 15 to March 16, 2018.
- To ensure that the survey sample was statistically representative of the province, quotas were established to ensure that 150 interviews each were completed in Edmonton and Calgary, while 150 interviews were also completed with residents in other cities within Alberta, and 150 with residents residing in rural areas throughout the province.
- To maximize the sample, up to five (5) call back attempts were made to each listing, prior to excluding it from the final sample. Busy numbers were scheduled for a call back every fifteen (15) minutes. Where there was an answering machine, fax, or no answer, the call back was scheduled for a different time period on the following day. The first attempts to reach each listing were made during the evening or on weekends.
- Overall results of the telephone survey provide a margin of error no greater than  $\pm 4.0\%$  at the 95% confidence level, or 19 times out of 20, while area-specific results provide a margin of error of  $\pm 8.0\%$  for each location.

Age	Sample Size
Under 35	192
35-54	217
55+	192



### Focus Groups and In-depth Telephone Surveys

The focus groups are held in urban centres and the in-depth telephone surveys are conducted for individuals residing in rural Alberta to ensure regional representation. The participants from these groups are chosen from those respondents from the Banister’s telephone survey that indicated they would willing to participate in some form of follow-up research. The chart below shows the age sample size for the focus groups.

Age	Sample Size
Under 35	8
35-54	21
55+	10

### Web Survey

- Web surveys were completed by 587 Albertans aged 18+ from March 22 to April 4, 2018. Average survey completion time was 12 minutes.
- A random sample of Albertans, 18 years or older (Statistics Canada population estimates were used to generate a demographically-representative sample).
  - A stratified sample was collected with targets based on region, gender, and age.
- The region sample stratification included six regions: Edmonton, Calgary, and then Northern, Southern and Central regions of the province.
- Albertans were invited to complete the survey using an interactive voice response-to-web recruit; those agreeing sent a text message with a link to a web survey.
- The margin of error for these results is  $\pm 4.04$  percentage points, 19 times out of 20.

Region	Sample Size
Calgary	217
Central Alberta	60
Edmonton	199
Northern Alberta	61
Southern Alberta	49

Age	Sample Size
Under 35	151
35-54	268
55+	168

## Appendix C

### Comparison between Telephone and Web Survey Results

Respondents were asked to rate their level of agreement that the current penalties for distracted driving in Alberta are sufficient.

Response	Web %	Telephone %	Average %
7 (Completely Agree)	43%	35%	39%
6	9%	13%	11%
5	12%	16%	14%
4	10%	7%	9%
3	8%	8%	8%
2	5%	7%	6%
1 (Do Not Agree at All)	13%	13%	13%

Respondents were then asked how likely it was that the roads will be safer if autonomous cars were allowed on Alberta roads.

Response	Web %	Telephone %	Average %
7 (Completely Agree)	13%	12%	13%
6	5%	8%	7%
5	9%	19%	14%
4	19%	13%	16%
3	15%	16%	16%
2	9%	9%	9%
1 (Do Not Agree at All)	29%	22%	26%

Respondents were then asked how safe they considered it to be to drive under the influence of cannabis.

Response	Web %	Telephone %	Average %
7 (Completely Agree)	4%	2%	3%
6	2%	5%	4%
5	7%	3%	5%
4	12%	6%	9%
3	13%	9%	11%
2	10%	13%	12%
1 (Do Not Agree at All)	52%	57%	55%

Respondents were asked whether they had sought competitive quotes at any time in the past 2 years, prior to making a decision about which company to purchase insurance from.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	54%	38%	46%
No	46%	61%	54%

Those who reported having sought competitive quotes before purchasing their insurance were asked how many quotes they obtained.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
1	8%	15%	12%
2 to 4	86%	78%	82%
5 or more	6%	7%	7%

Those who obtained quotes before purchasing insurance for their vehicles were also asked how or where they obtained these quotes.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Website	36%	41%	39%
Telephone calls	78%	60%	69%
In-person visits	22%	22%	22%
Other	1%	5%	3%

Respondents were asked about whether they had switched companies in the last 2 years.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	23%	17%	20%
No	77%	86%	82%

Respondents were asked experienced excessively high insurance rates although they are claims and convictions free.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	37%	25%	31%
No	63%	75%	69%

Respondents were asked experience unexpected increases in automobile insurance rates due to recent claims or convictions.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	12%	9%	11%
No	88%	91%	90%

Respondents were asked to indicate how strongly they agreed, given their personal circumstances, that their insurance premiums are fair and reasonable.

Response	Web %	Telephone %	Average %
5-7 (High Agreement)	34%	57%	46%
4	18%	14%	16%
1-3 (Low Agreement)	49%	28%	39%

Respondents that have escalated a complaint with their insurance company in the past 6 years.

Response	Web %	Telephone %	Average %
Yes	13%	8%	11%
No	87%	92%	90%

Those who had escalated a complaint with their insurance company in the past 6 years indicated that the complaint resolution was explained to them and it was easy to understand.

Response	Web %	Telephone %	Average %
Yes	49%	58%	54%
No	51%	38%	45%

Respondents who had escalated a complaint with their insurance company in the past 6 years (n=48) indicated that their complaint was resolved.

Response	Web %	Telephone %	Average %
Yes	50%	49%	50%
No	50%	49%	50%

Respondents who had escalated a complaint with their insurance company in the past 6 years and had the complaint resolved in.

Response	Web %	Telephone %	Average %
Less than 3 months	63%	78%	71%
3 to 6 months	29%	15%	22%
7 to 12 months	8%	7%	8%

How many levels of escalation did it take to resolve.

Response	Web %	Telephone %	Average %
Supervisor	53%	62%	58%
Above Manager	8%	12%	10%
Manager	34%	11%	23%
Don't Know	5%	15%	10%

Respondents had a collision in the last 6 years, for which they claimed from insurance for medical treatment.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	7%	6%	7%
No	93%	94%	94%

Those who had a collision in the last six years for which they claimed from insurance for medical treatment were able to access medical treatment for their injuries.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	81%	83%	82%
No	19%	16%	18%

Respondents were then asked to indicate if they would consider signing up for usage-based insurance.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Yes	50%	54%	52%
No	24%	28%	26%
It Depends	5%	9%	7%
Don't Know	20%	10%	15%

Demographic breakdown of Albertans surveyed in 2018.

<b>Response</b>	<b>Web %</b>	<b>Telephone %</b>	<b>Average %</b>
Under 35	26%	32%	29%
35-54	46%	36%	41%
55+	28%	32%	30%

## *Appendix D*

### **2018 Banister Public Perception Survey Report**

Refer to the attached report.