

# Consumer Perspectives on Automobile Insurance

Chris Daniel, Consumer Representative

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# Role of Consumer Representative



Chris Daniel

Consumer Representative

- ▶ Role of Consumer Representative:
  - ▶ Ensures Albertans have a voice and are represented in both the Annual Review process and the rate review process.
  - ▶ Voting Board Member, appointed by and reporting to the Minister of Finance.
- ▶ First appointed to the role of Consumer Representative on September 8, 2014 after having served as public member since 2011.



# Consumer Expectations

- ▶ Guiding principals of AIRB with respect to Consumers Expectations.
- ▶ Drivers should be entitled to:
  - ▶ Affordability
  - ▶ Stability
  - ▶ Accessibility
  - ▶ Customer Service



A photograph of a man with a beard and sunglasses driving a car. The view is from the passenger side, looking at the driver and out the windshield. The car's interior, including the steering wheel with a Subaru logo and the dashboard, is visible. Outside the car, there is a gravel road, green trees, and large, rocky mountains under a clear blue sky.

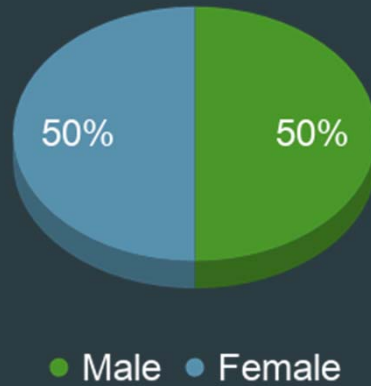
# Connecting With Consumers

- ▶ Consumer Perception Survey
  - ▶ Social Media (835)
  - ▶ Telephone Survey (120)
- ▶ Contact AIRB
- ▶ Other such as IBAA, IBC, GIO, and Superintendent's Office

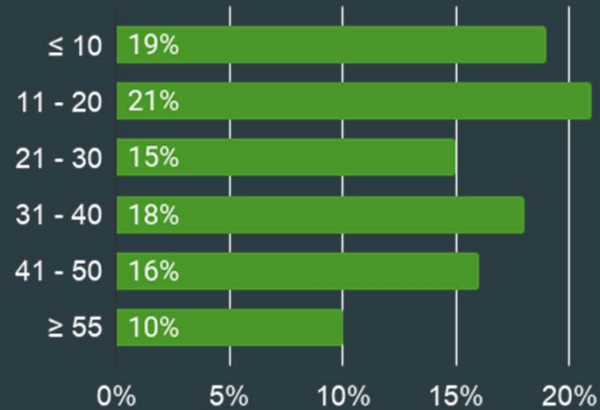
# Surveys

- Total 25 questions - 12 core questions with sub questions.

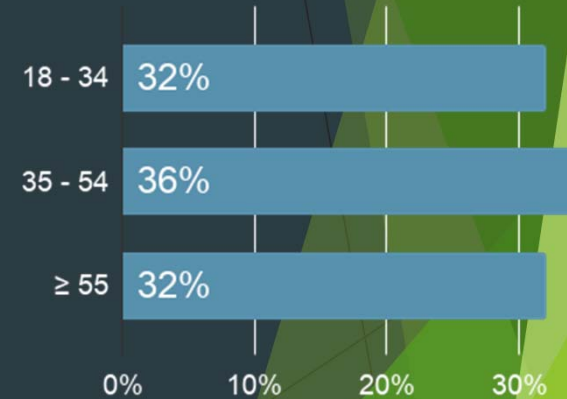
## Gender



## Years as a Licensed Driver

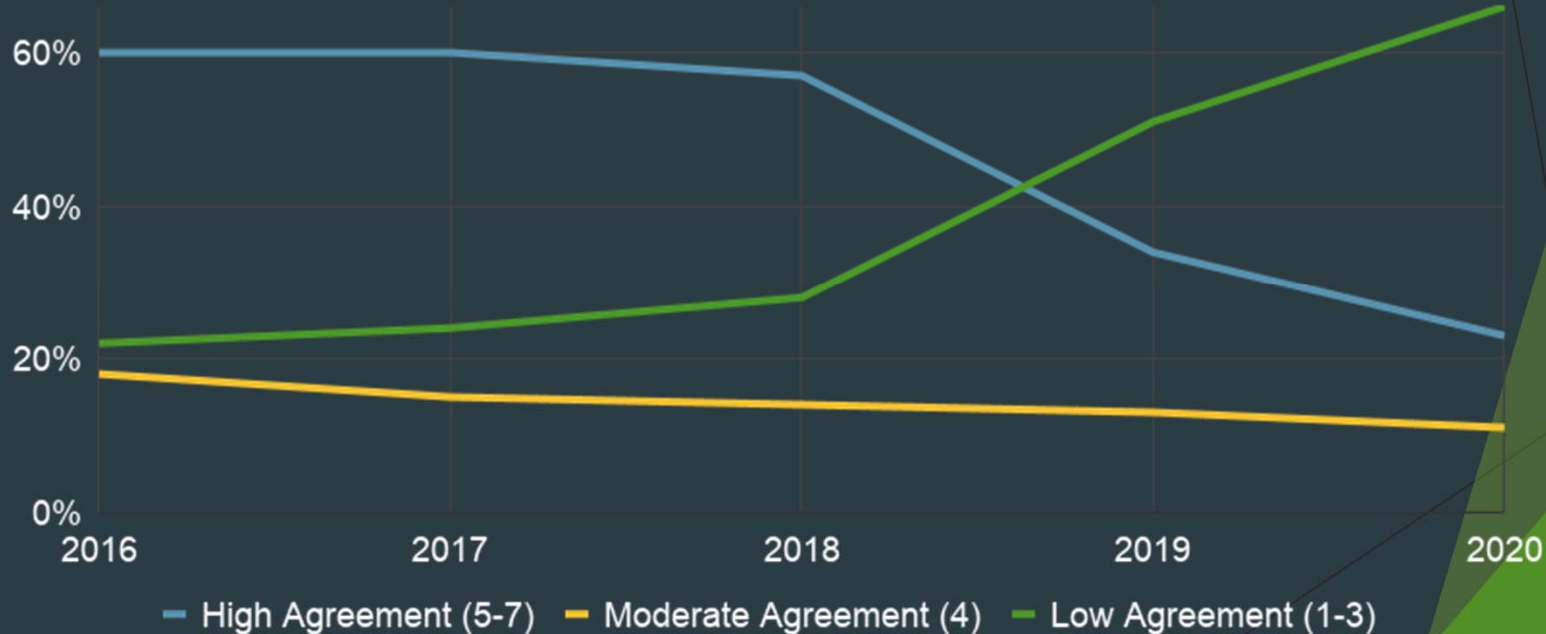


## Age



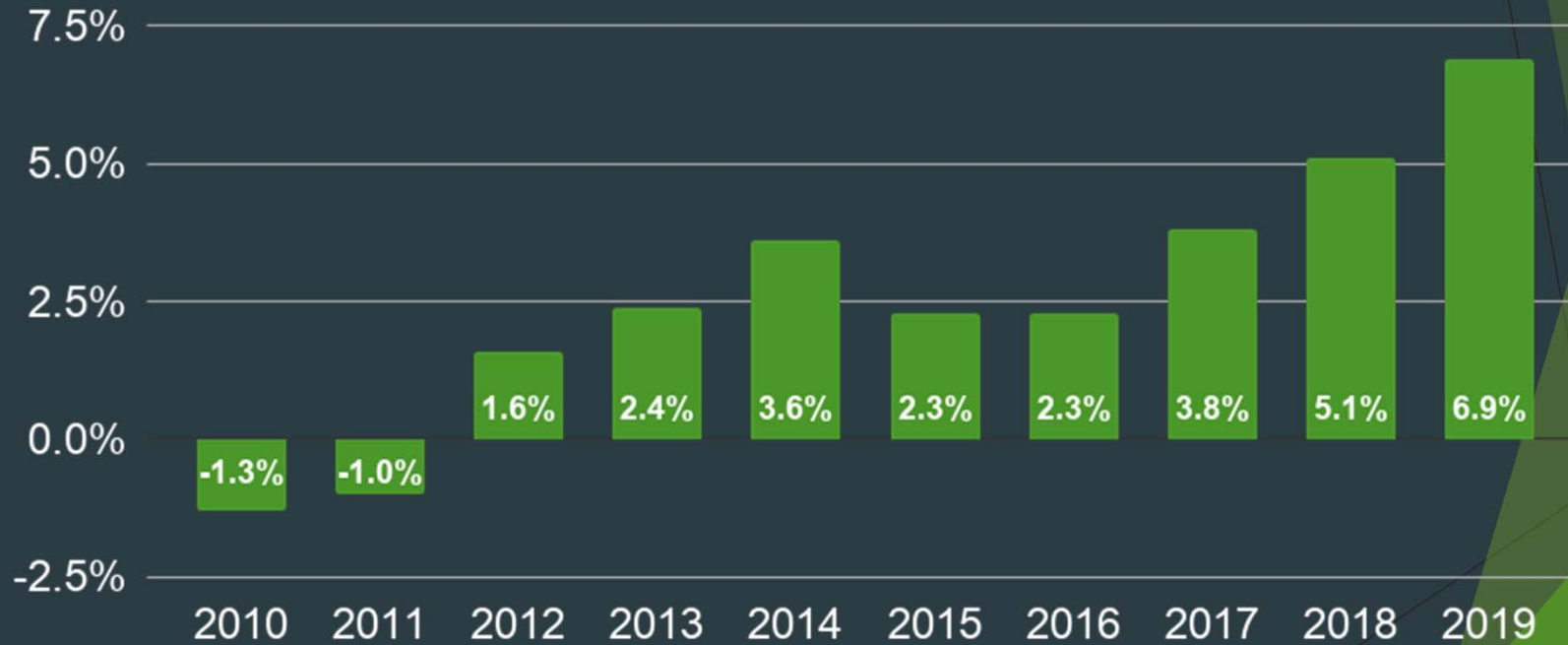
# Automobile Insurance Premiums

“Your vehicle insurance premiums are fair and reasonable, and reflect your driving habits and the type of vehicle driven”



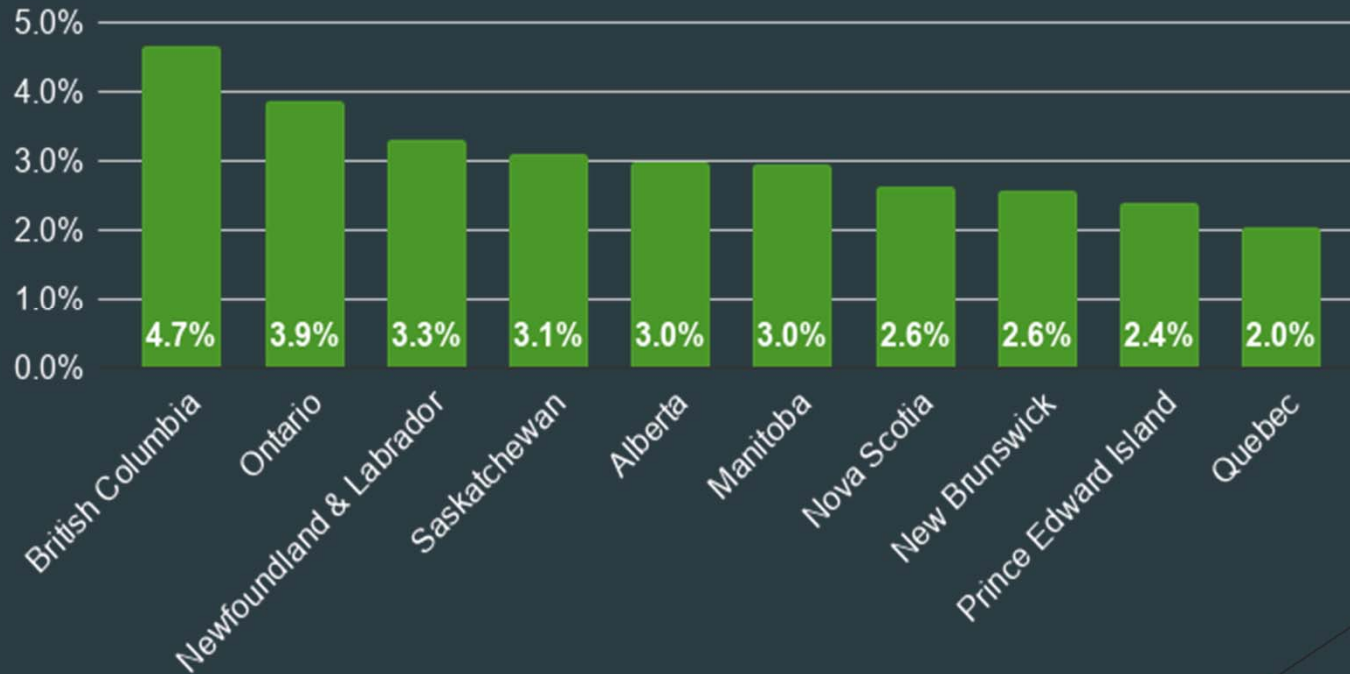
# Alberta's Average Annual Premium Change

## Private Passenger Vehicles



# Provincial Premium Comparison

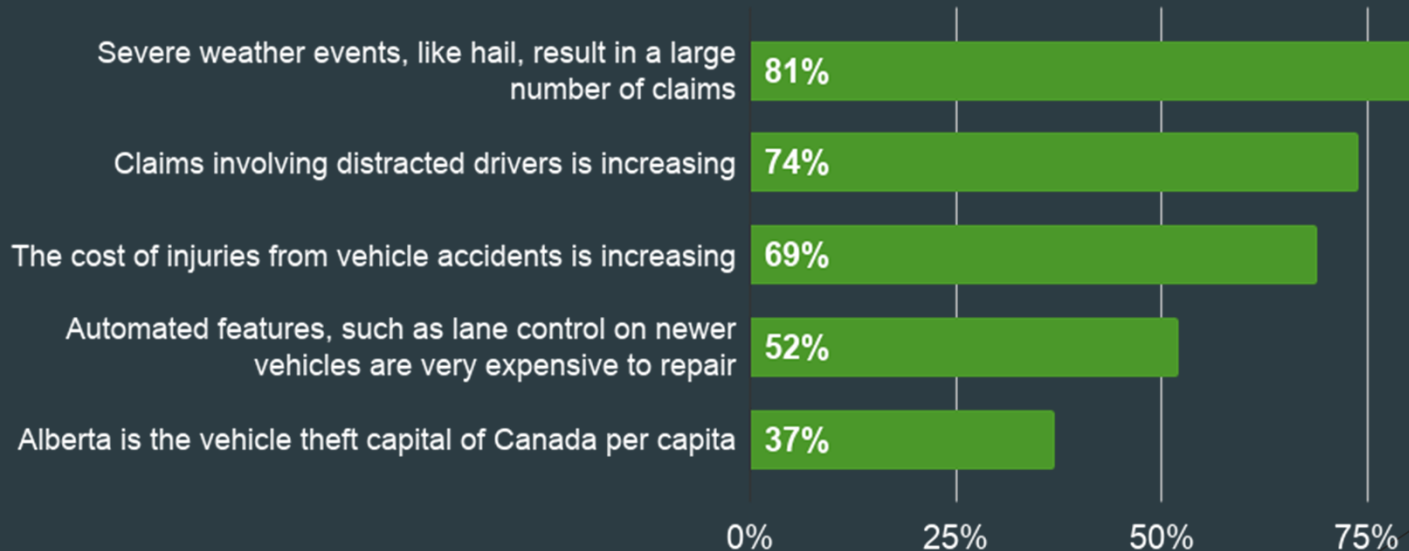
## Average After-tax Income Spent on Vehicle Insurance





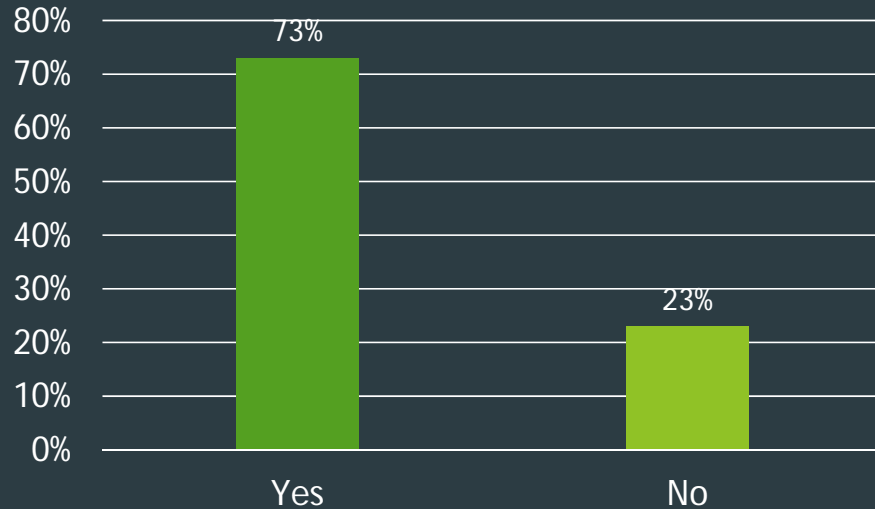
# Factors Affecting Cost of Insurance

“Were you aware the following factors contribute to the rising cost of insurance?”

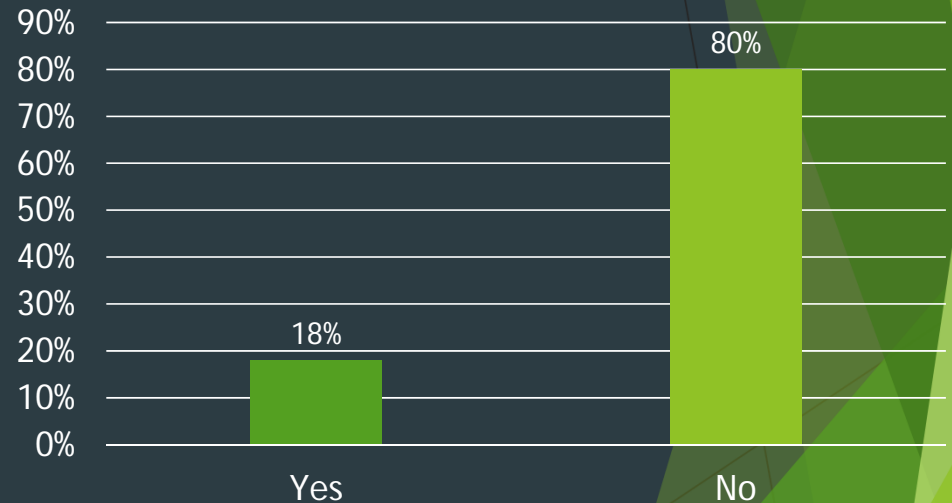


# Contact With Agents or Brokers

Contacted Their Broker or Agent for an Explanation as to Why Their Premiums Increased



Feel their Broker or Agent Provided a Satisfactory Explanation for Why Their Premiums Increased

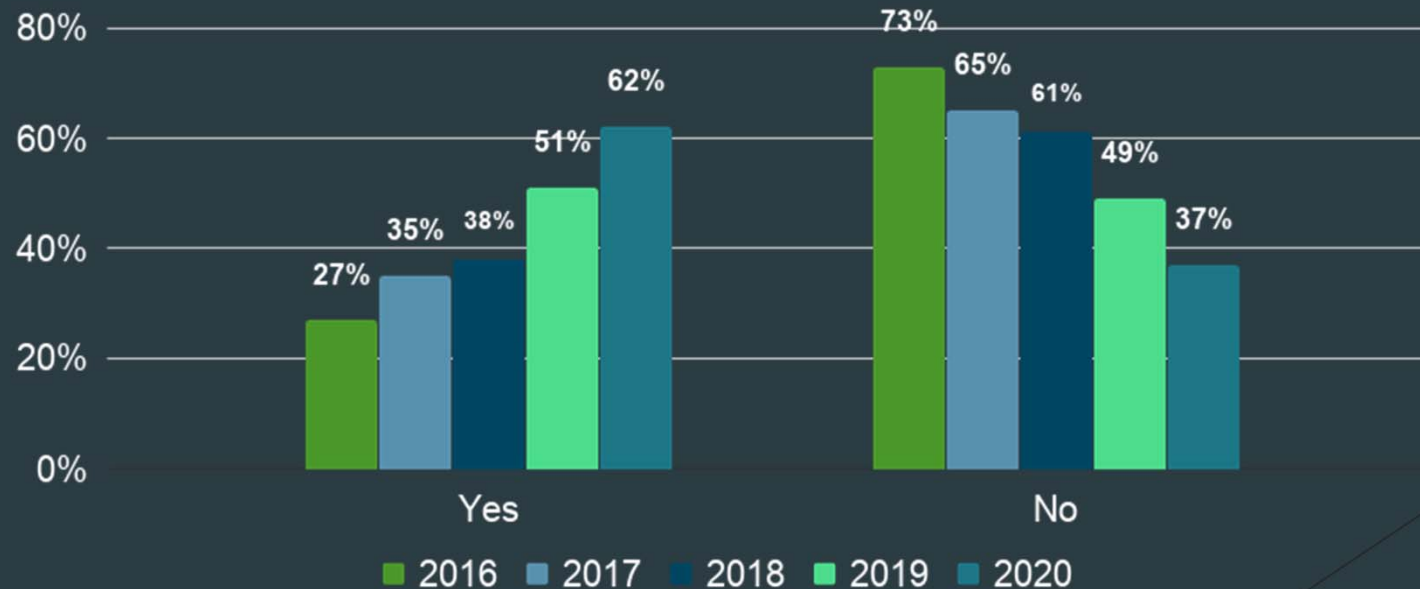


Identification of opportunity to collaborate with other stakeholders to best equip the frontline staff to deal with consumer inquiries.

Note: some survey respondents responded with "don't know"

# Seeking Quotes in a Competitive Marketplace

“At any time in the past 2 years, have you sought competitive quotes?”



Note: Some survey respondents responded with “Don’t know.”



# Competitive Quotes

**“What was the most difficult part in obtaining quotes? “**

- ▶ 41% - unable to obtain a final quote on-line without speaking to a broker/agent
- ▶ 24% - lack of understanding of coverages
- ▶ 13% - too many questions
- ▶ 3% - cost of coverage
- ▶ 3% - slow response time
- ▶ 2% - process is too time consuming
- ▶ 14% - other





# Usage Based Insurance

- ▶ Telematics
- ▶ Benefits to Consumers
  - ▶ Discount Program
  - ▶ Create driving behavior awareness
- ▶ Pandemic
- ▶ Declining Interest



# My Observations

- ▶ Premiums not affordable.
- ▶ Capping an insurance company's overall premiums at 5% did not provide stability, did not address the issues, only exacerbated the situation.
- ▶ Consumers are experiencing difficulty obtaining the coverage required due to obstacles in the process.
- ▶ There is an obvious need to provide consistent information to the consumer regarding insurance issues such as premium increases, coverage availability and other adverse matters affecting the insured motorist.

## Consumer Representative

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Consumer Representative Report can be  
found on the AIRB Website  
[www.airb.alberta.ca](http://www.airb.alberta.ca)

# Questions?