



# Consumer Perspectives on Automobile Insurance

2020

## Consumer Perspectives on Automobile Insurance

June 26, 2020

Chris Daniel, Consumer Representative

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June 26, 2020

Charlene Butler  
Board 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 have conducted 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 establishing industry benchmarks for the Automobile Insurance Rate Board's (AIRB) use in its review of insurer filings. It is fundamental the consumer is represented in this decision-making process.

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

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

Please accept the following as my report to the AIRB, and I look forward to discussing my findings on Thursday, August 20, 2020 at the Annual Review Meeting.

Sincerely,

**[Original signed by Chris Daniel]**

**Chris Daniel**  
Consumer Representative



**Chris Daniel**  
**Consumer Representative**

## Automobile Insurance Rate Board

The President of Treasury Board and Minister of Finance (Minister) and the Government of Alberta formed the Automobile Insurance Rate Board (AIRB) through the Insurance Act, as an independent regulatory Board in 2004. The AIRB is responsible for regulating automobile insurance rating programs for all classes of vehicles for both basic and additional coverage in Alberta and the provision of automobile insurance information to enable consumers to make informed choices.

## The Consumer Representative

In accordance with the Insurance Act, the Minister appoints a Consumer Representative to ensure Albertans have a voice and are represented when the AIRB is carrying out its mandate.

Since the first appointment, in 2004, the role of the Consumer Representative has sought to engage Albertans on topical issues and information relevant to other ministries, such as traffic safety.

I have served on the AIRB for nine years, in both the capacity of public member and Consumer Representative. I was reappointed as the Consumer Representative by the Minister on December 3, 2019.

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 to address consumer needs. My board experience includes serving as a Director of the Insurance Brokers Association of Alberta and numerous 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 Queen's 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.

## Preface

The AIRB vision is for automobile insurance to be accessible, equitable, and sustainable for all Albertans. The AIRB monitors industry trends and developments to inform its board members, and ensure consideration of all variables in the decision-making process. The Consumer Representative's role is to represent the consumer's voice in all decisions made by the AIRB.

The AIRB is required under Section 9 of the Automobile Insurance Premiums Regulation to conduct an annual review of automobile insurance trends and premiums relating to

basic and additional coverage for private passenger vehicles. The AIRB is required to provide the Minister with a final report, which must include a report from the AIRB Consumer Representative.

The purpose of this report is to provide an overview of consumer perspectives in Alberta vehicle insurance, as determined through the survey conducted in 2020. The report also explores how the perspectives of Albertans changes year-to-year and evaluates correlations between consumer knowledge and quantitative market data.

## Survey Methodology

In 2020, the AIRB contracted the services of Y Station to collect data to assess any potential changes in consumer awareness and perceptions regarding insurance rates over the past year. A full copy of their report is found in Appendix A.

Prior to 2019, data was primarily collected through telephone surveys supplemented by small focus groups and individual telephone interviews. Starting in 2019, the AIRB changed the collection process, focusing mainly on an online panel survey through social media supplemented by a small number of telephone surveys. For 2020, we continued this approach with an increased sample size. As a result of the different data collection methods, comparisons with data prior to 2019 could be influenced.

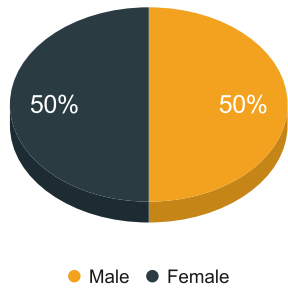
For 2020, Y Station utilized two methods to obtain consumer feedback; an online panel survey, marketed via Facebook, and a telephone survey. All participants had to be at least 18 years of age, responsible for the purchase of vehicle insurance for their

household's private passenger vehicles and their vehicle must be for on-road use. Further, all participants had to declare they do not work in marketing research, news media, the vehicle insurance industry or for the Superintendent of Insurance or the AIRB. The surveys included both quantitative and qualitative questions in order to collect data comparable to previous years without restricting the voice of Albertans.

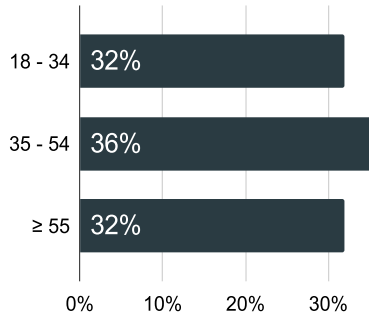
To ensure the survey sample was statistically representative of Albertan's opinions, the demographics were closely monitored. Quotas were established to ensure at least 170 online panel surveys and 30 phone surveys were completed in each of the locations: Edmonton, Calgary, cities outside of Greater Calgary and Edmonton, and rural. Other monitored demographics included: gender, age, and years of driving experience. The total number of respondents for 2020 was 955, with 835 respondents to the online panel survey and 120 respondents to the phone survey.

## DEMOGRAPHICS OF ALL SURVEY RESPONDENTS

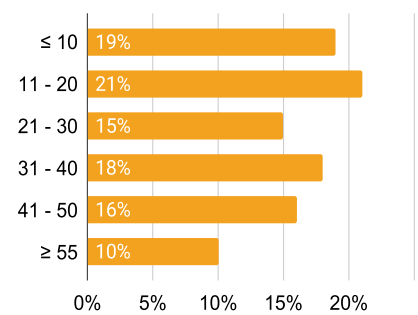
GENDER



AGE



YEARS AS A LICENSED DRIVER



## Consumer Expectations

Drivers are required by legislation to carry a minimum limit of basic coverage (third party liability and accident benefits) in order to operate a motor vehicle. Given vehicle insurance is mandatory, drivers have expectations regarding their vehicle insurance coverage options:



### AFFORDABILITY

- ★ Premiums should be equitable and accurately align with the risk profile of the driver and the cost to provide the coverage.



### STABILITY

- ★ Consumers should not experience significant increases in insurance premiums unless changes have occurred in their risk profile, such as claims or convictions.



### ACCESSIBILITY

- ★ Insurance should be available to all drivers, regardless of their risk profile.
- ★ Consumers should have varying options of insurers and coverages to meet their specific needs.
- ★ Insurers should provide coverage to all drivers without placing obstacles within the purchase process.



### CUSTOMER SERVICE

- ★ Insurance professionals should be well educated and trained in order to assist consumers in understanding their coverage needs, changes to their premiums and ensuring they are adequately insured.
- ★ Claims made by consumers should be settled fairly and expediently.

## Consumer Inquiries

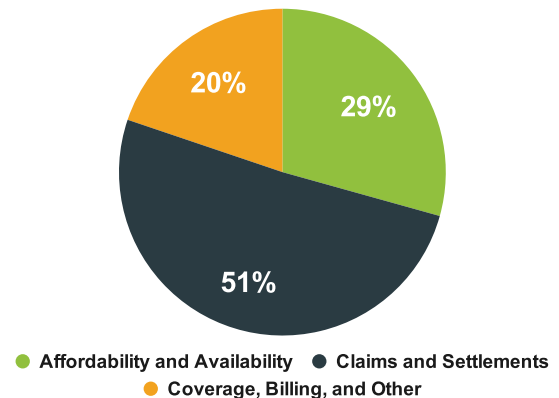
Insurance agents, brokers, and insurers all receive inquiries directly from their customers, and there are internal processes within the insurer to escalate complaints and concerns.

Alberta insurance consumers have several options to voice their concerns and to obtain more information when required.

In 2019, the AIRB, General Insurance OmbudService and Insurance Bureau of Canada responded to over 2,700 inquiries from consumers regarding vehicle insurance.

Of those inquiries, approximately 29% pertained to the lack of affordability of insurance premiums and availability of coverage with a common theme of significant increases in premiums for drivers who are

accident and conviction free. Claims matters including entitlement, unsatisfactory, and delay in claims settlement accounted for 51% of consumer inquiries. The remaining 20% included queries about coverage, policy cancellations, billing issues, etc.



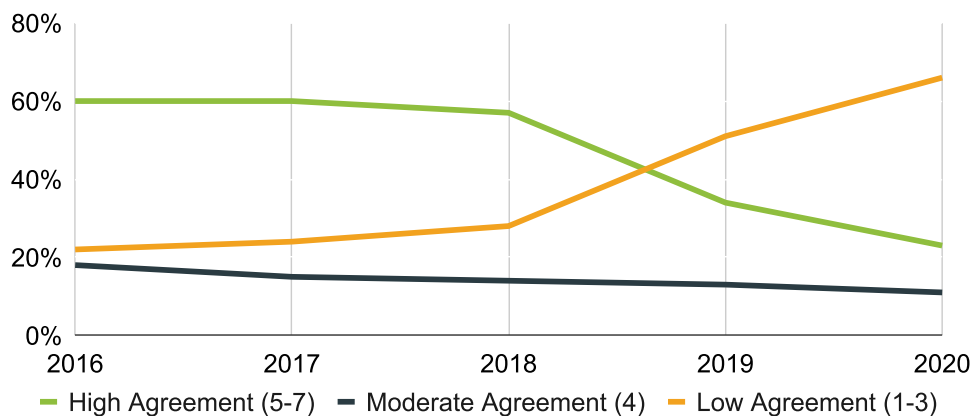
## Survey Results

### PREMIUMS

The survey collected the consumer's level of agreement with the statement **"Automobile insurance premiums are fair and reasonable."** We found the percentage of consumers surveyed who indicated a high

level of agreement their premiums are fair and reasonable has decreased over the past four years (2017-2020) from 60%, 57%, 34%, and 23% respectively.

### AUTOMOBILE INSURANCE PREMIUMS ARE FAIR AND REASONABLE

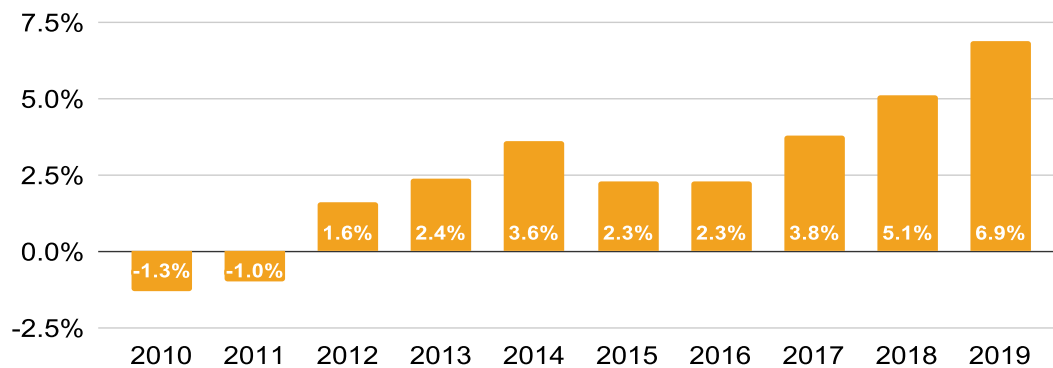




When consumers were asked: **“Were you aware that some Alberta drivers are facing increases in vehicle insurance premiums?”** 91% stated they were aware. The results signify

most consumer’s perspectives accurately align with the market data; the AIRB has seen higher than average increases to average premiums in previous years.

#### CHANGE IN AVERAGE PREMIUMS BY YEAR

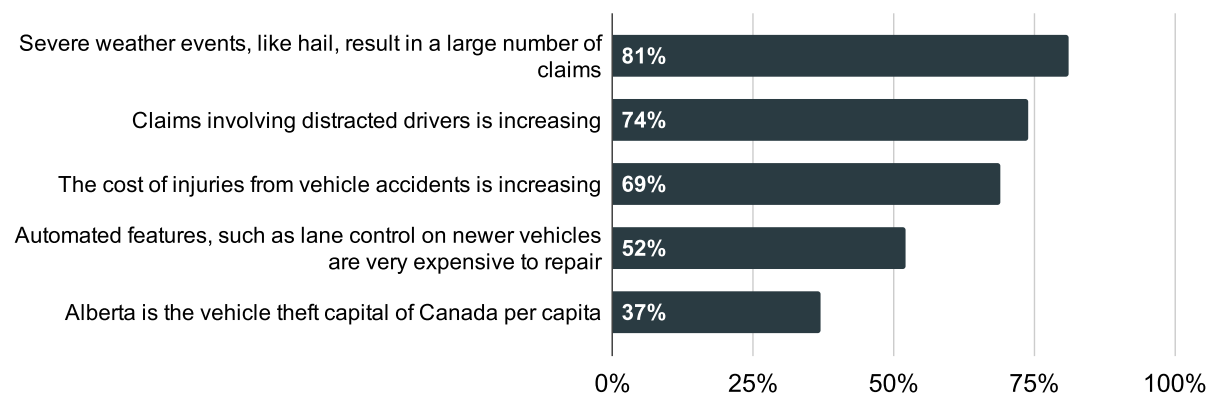


Source: GISA 2019 - Auto-1005-AB

Consumers were experiencing larger than average increases to premiums later in 2019, therefore, the 2020 survey included a new question regarding factors contributing to the increasing insurance rates in Alberta. Consumers were asked: **“Were you aware that the following factors contribute to the rising cost of insurance?”** Many Albertans

demonstrated their awareness for the factors contributing to increased rates; however, the survey identified a large portion of Albertans were unaware of several of the factors contributing to rate increases.

#### AWARENESS OF FACTORS CONTRIBUTING TO THE RISING COSTS OF INSURANCE

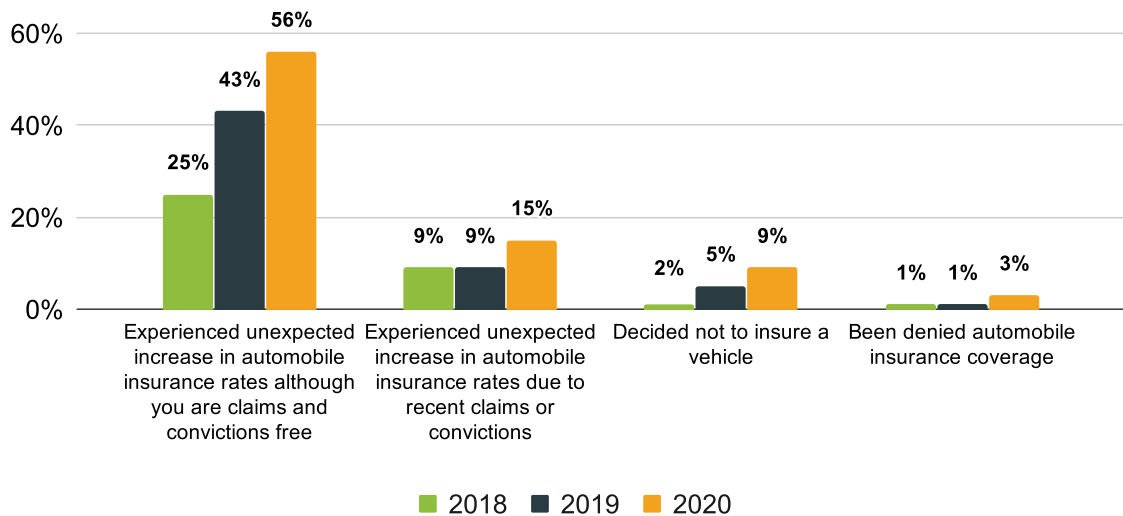


Note: Respondents could select multiple responses

The survey also explored consumer's experiences with rate changes and decisions made by the consumer, regarding expectations, rate changes, and purchasing behaviour. Consumers were asked if any household members had a specific experience or made a

specific decision about their insurance in the last two years. All four unfavourable events or decisions increased in 2020, signifying consumers are experiencing unexpected rate increases and being denied coverages or deciding not to insure their vehicle.

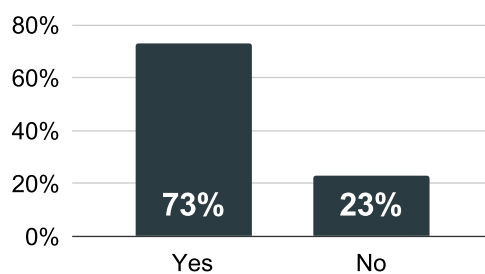
## CONSUMER EXPERIENCE AND DECISION MAKING



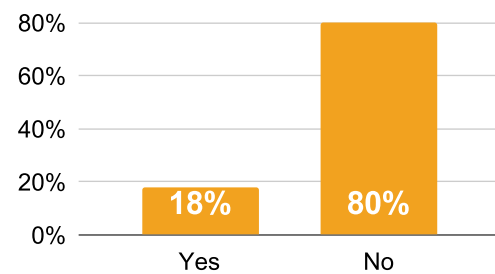
With average premiums increasing and more consumers experiencing rate increases, another new question was included in the 2020 Consumer Perception Survey to determine what source of information consumers rely on regarding rate changes. In addition, this question was asked to evaluate the quality and consumer satisfaction with the information provided to them. A significant portion of consumers looked to their broker or agent to

provide information as to why their premiums were increasing; however, the survey results indicated the information provided by brokers and agents was not sufficient. Of those consumers who experienced rate increases, 73% contacted their broker or agent for an explanation and only 18% of those who contacted their broker or agent felt they received a satisfactory explanation.

### CONSUMERS THAT CONTACTED THEIR BROKER OR AGENT FOR AN EXPLANATION AS TO WHY THEIR PREMIUMS INCREASED



### CONSUMERS THAT FELT THEIR BROKERS OR AGENT PROVIDED A SATISFACTORY EXPLANATION AS TO WHY THEIR PREMIUMS INCREASED



Note: Some responded with \*Don't Know\*

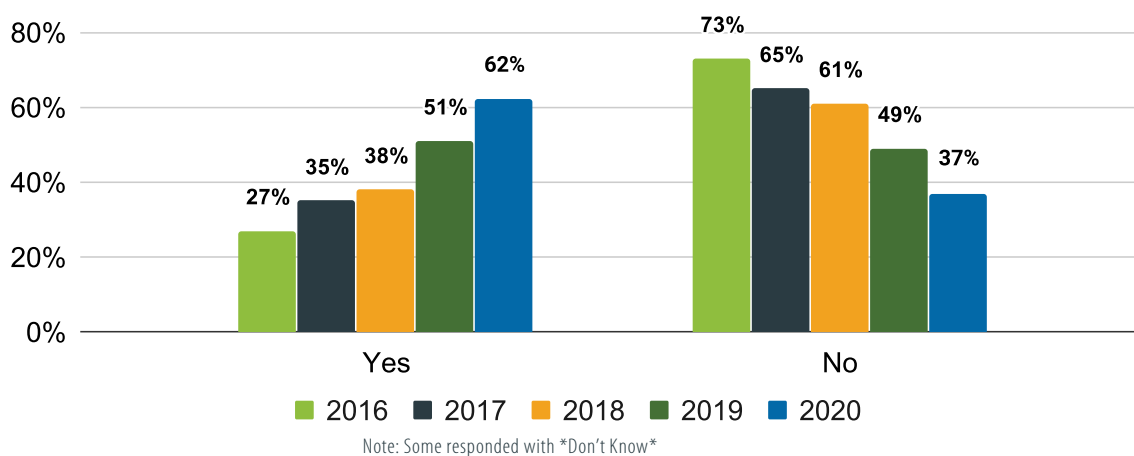
## PURCHASE BEHAVIOUR

Alberta has a competitive insurance market with 46 individual insurers actively offering private passenger vehicle coverage, with each insurer providing unique coverage options and pricing. The AIRB indicated they have seen an increased number of consumers inquiring about premium increases, and they continue to urge consumers to shop the market to find the most affordable option for their required coverages.

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

The results indicated in the past two years, consumers have been seeking competitive quotes more frequently than previous years. Sixty-two percent of consumers sought competitive quotes for vehicle insurance in past two years.

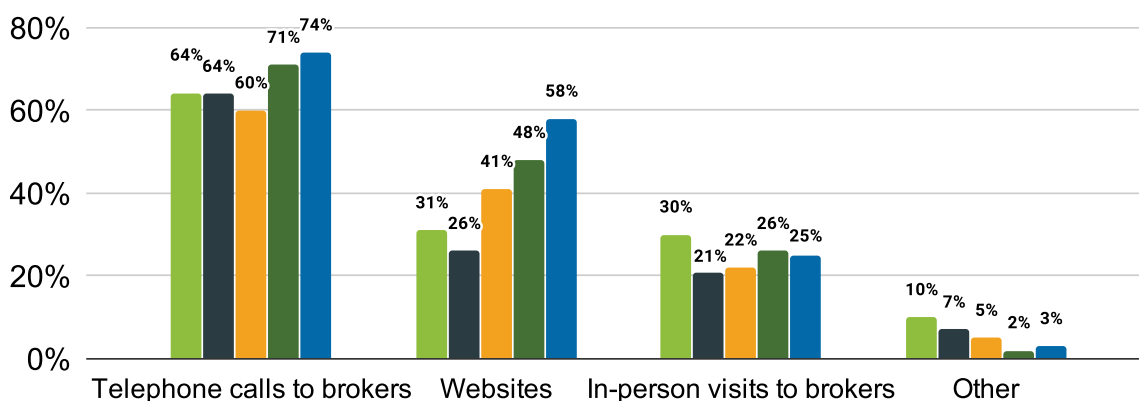
### CONSUMERS THAT SOUGHT COMPETITIVE QUOTES IN THE PAST TWO YEARS



To further evaluate consumer purchase behaviour, the survey also asked respondents, **“Where did you get these competitive quotes?”** Results indicated the most common methods for obtaining vehicle insurance quotes

was calling brokers and visiting websites which provide insurance quotes. Both methods of obtaining vehicle insurance quotes saw increases in 2020, with a higher percentage of consumers utilizing both methods.

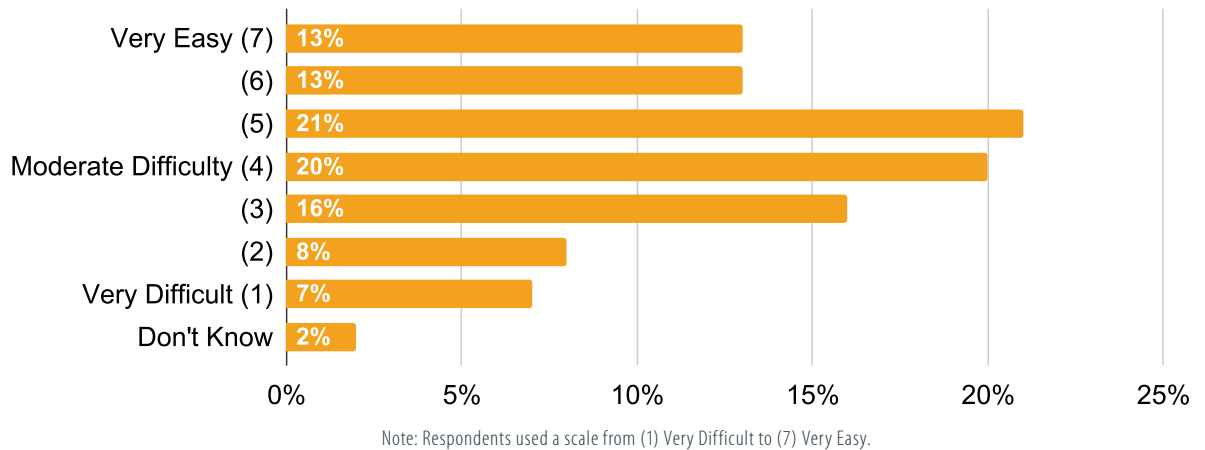
### TELEPHONE CALLS TO BROKERS, WEBSITES, IN-PERSON VISITS TO BROKERS AND OTHER



During the rate limitation established by the previous Government, the AIRB observed many insurers created obstacles for certain drivers to purchase insurance. The survey asked consumers to, **“Rate the level of effort that is needed to get a quote.”**

Although many consumers found it very easy to obtain quotes, a significant number of consumers indicated obtaining vehicle insurance quotes was difficult.

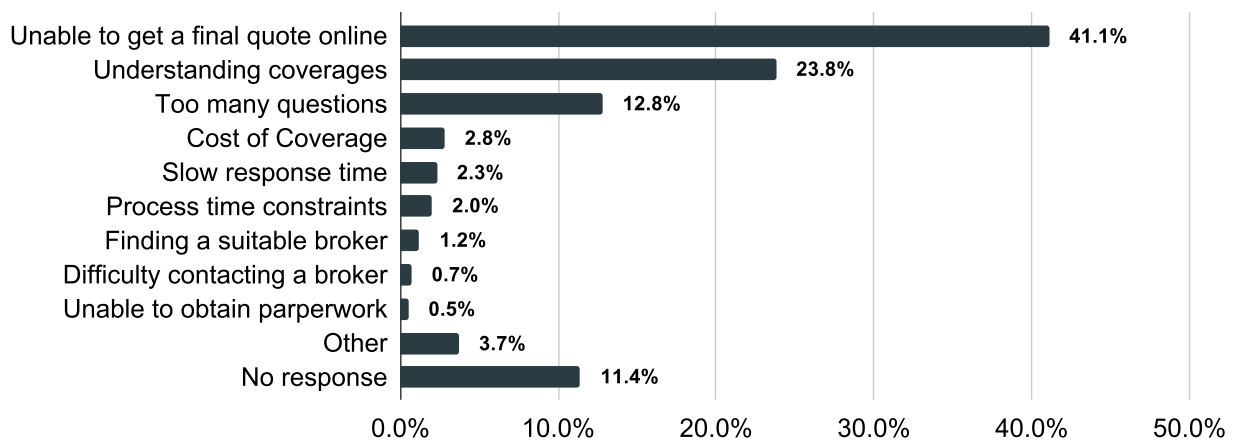
#### LEVEL OF EFFORT REQUIRED TO OBTAIN A QUOTE



Consumers were also asked, **“What was the most difficult part in obtaining quotes?”** Survey results indicated the most significant

issues with obtaining quotes were the ability to get a final quote online, understanding coverage, and too many questions.

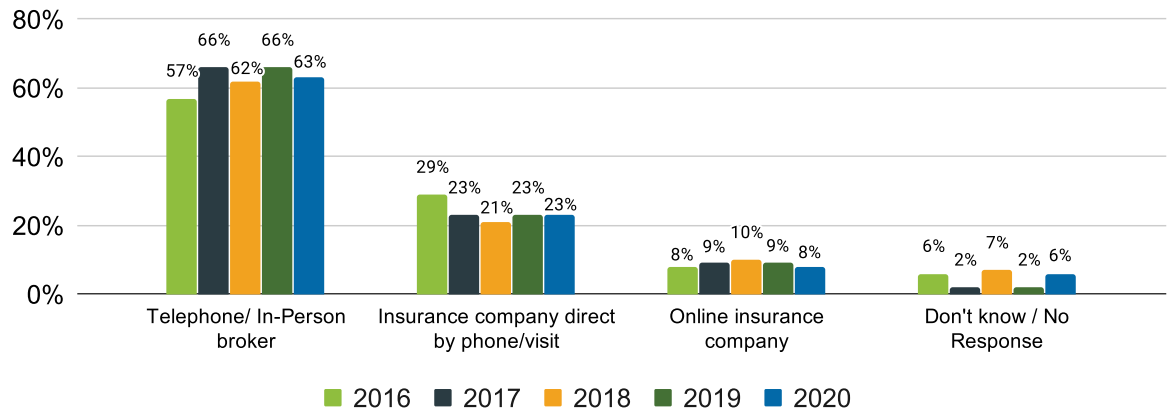
#### DIFFICULTIES IN OBTAINING A QUOTE



Consumers who sought competitive quotes before purchasing were asked, **“When you made your decision to purchase insurance what method did you use?”**

Consumer purchase methods for this group have remained consistent over the previous 5 years.

#### METHOD OF PURCHASE DECISION



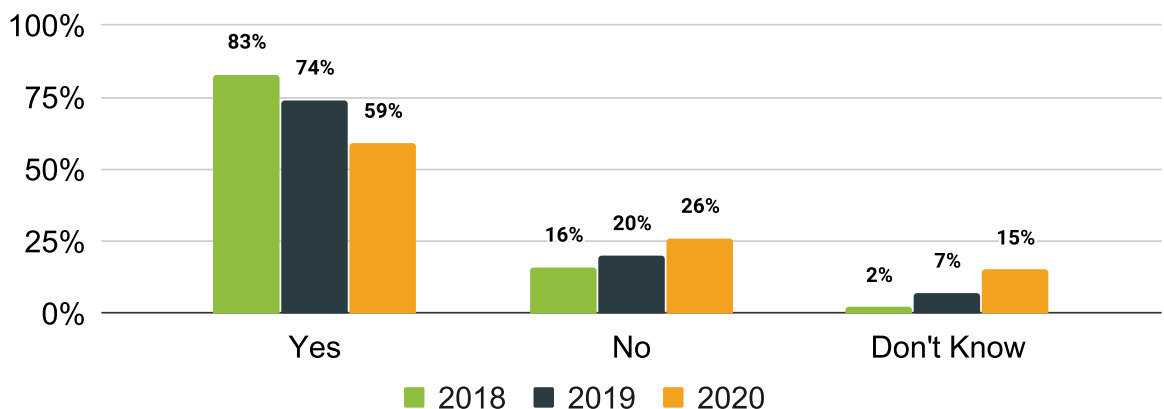
#### CLAIMS

One of the ways in which consumers evaluate the value of their insurance policy is the level of service they receive through the claims process. The survey explored the number of consumers who made a claim and their experiences during the claims process.

Of the consumers surveyed, when asked,

**“Have you had a collision in the last 6 years, for which you claimed from insurance for medical treatment?”** 10% of respondents answered “yes”, and of those only 59% stated they were able to access sufficient medical treatment for their injuries; this number has decreased significantly from 83% in 2018.

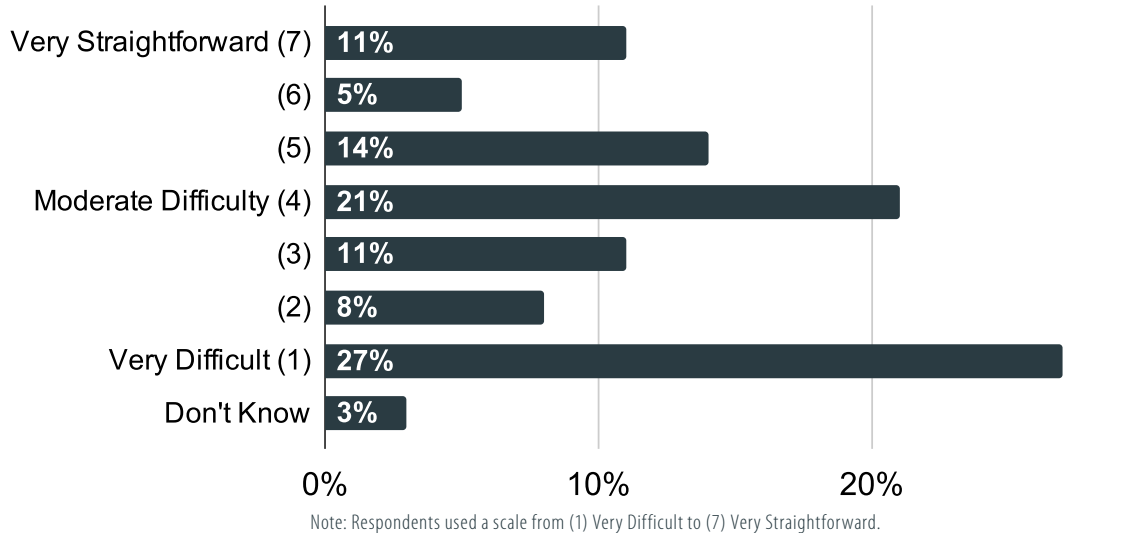
#### RESPONDENTS THAT WERE ABLE TO ACCESS APPROPRIATE MEDICAL TREATMENT FOR INJURIES SUSTAINED IN A COLLISION



Of the consumers surveyed, when asked, “Have you had a collision in the last 6 years, for which you claimed from insurance for injury compensation?” 5% of respondents answered

“yes” and of those 30% stated their experience making and settling a claim for compensation of injuries was straightforward; this number has decreased from 42% in 2020.

#### EXPERIENCE MAKING A CLAIM AND SETTLING THE CLAIM



#### FACTORS THAT INFLUENCE DRIVING

There are several factors which can influence the premiums a consumer pays for vehicle insurance. The factors evaluated through

the survey included distracted driving, driving under the influence and Usage Based Insurance.

#### DISTRACTED DRIVING

Drivers are twenty-three times more likely to be involved in a collision if texting while driving and four times more likely if talking on a cellphone (hand-held or hands-free) while driving. Although convictions for distracted driving have been trending downwards since 2016, distracted driving has been raised as

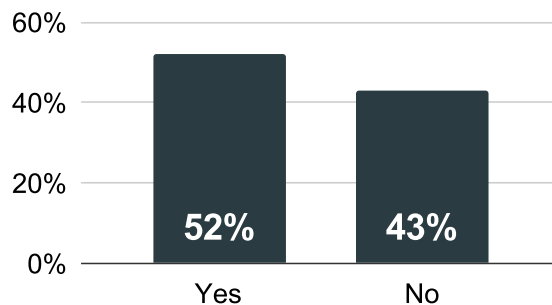
a significant concern by many stakeholders. With over 23,000 convictions issued for distracted driving in Alberta in 2018 and over 75% of Canadians admitting they have driven distracted, a measurable portion of accidents contributing to unsustainable claims trends are likely a result of distracted driving.



The penalty for distracted driving in Alberta is a \$287 fine and three demerit points. In addition, to the cost of the fines, some insurers may apply a surcharge to a driver's premium. Over half of respondents (52%) agreed the current

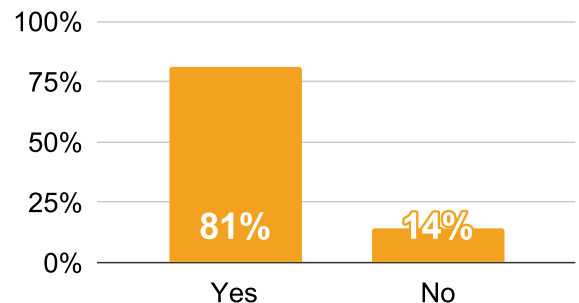
penalties for distracted driving in Alberta are sufficient. The majority (81%) of those who did not agree the current penalties were sufficient indicated the current penalties were too lenient.

#### CONSUMERS THAT INDICATED THEY AGREE WITH THE CURRENT PENALTIES FOR DISTRACTED DRIVING



Note: Some responded with \*Don't Know\*

#### CONSUMERS THAT INDICATED THEY DISAGREE WITH THE CURRENT PENALTIES BECAUSE THEY ARE TOO LENIENT



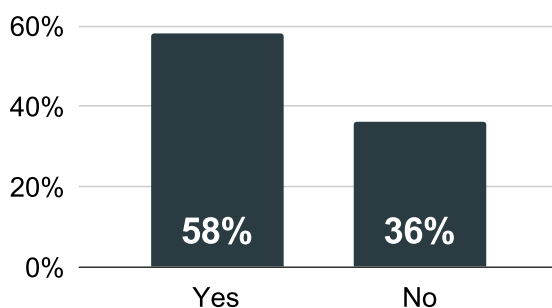
### DRIVING UNDER THE INFLUENCE

With the legalization of cannabis on October 17, 2018, governments across Canada are committed to ensuring drivers operating a vehicle while driving impaired under the influence of cannabis are subject to appropriate penalties. Amendments have been made to the Criminal Code and other legislation regarding impaired driving to accommodate the legalization or recreational cannabis use. When asked, 9% of respondents

considered it safe to drive under the influence of cannabis, while 81% considered it unsafe.

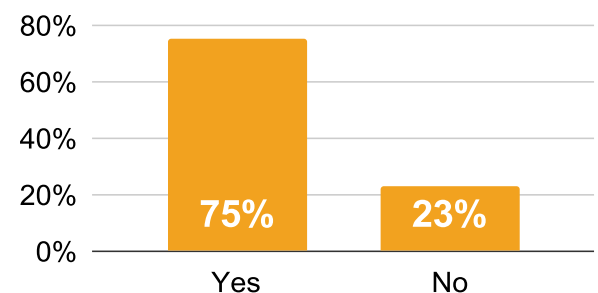
The percentage of respondents indicating driving under the influence of cannabis is as dangerous as alcohol impaired driving was 58%. The majority of respondents (75%) were supportive of having penalties for driving under the influence of cannabis align with penalties for driving under the influence of alcohol.

#### CONSUMERS THAT AGREE THAT DRIVING UNDER THE INFLUENCE OF CANNABIS IS AS DANGEROUS AS ALCOHOL IMPAIRED DRIVING



Note: Some responded with \*Don't Know\*

#### CONSUMERS THAT AGREE THAT PENALTIES FOR DRIVING UNDER THE INFLUENCE OF CANNABIS SHOULD ALIGN WITH THOSE FOR ALCOHOL IMPAIRED DRIVING

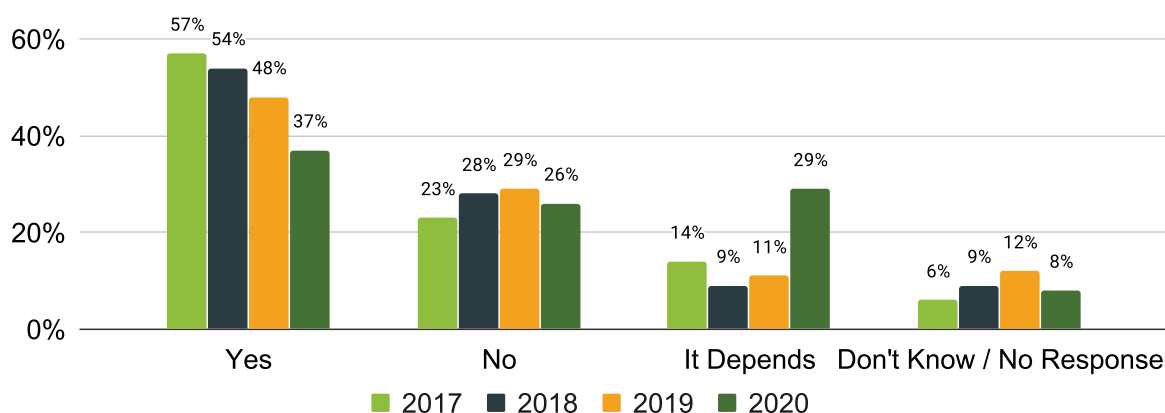


## USAGE BASED INSURANCE (UBI)

UBI is a discount program offered in Alberta allowing a driver the opportunity to receive a discount based on their individual driving behaviors; reducing insurance premiums for those drivers demonstrating safe driving behaviors. The driver maintains a base rate; however, the driver's premium may be reduced based on parameters such as: time driven, kilometers driven, GPS data, speed, hard braking and time of day.

In 2020, 37% of respondents indicated they would consider signing up for UBI. Interest in UBI has decreased year-over-year from 57% in 2017. The number of drivers responding with "It depends" increased to 29% in 2020, from 14% in 2017, with most common responses citing it would depend on cost, level of discount and privacy.

### CONSUMERS THAT INDICATED THEY WOULD CONSIDER SIGNING UP FOR USAGE-BASED INSURANCE IF IT IS AVAILABLE TO THEM



## Premium Comparisons

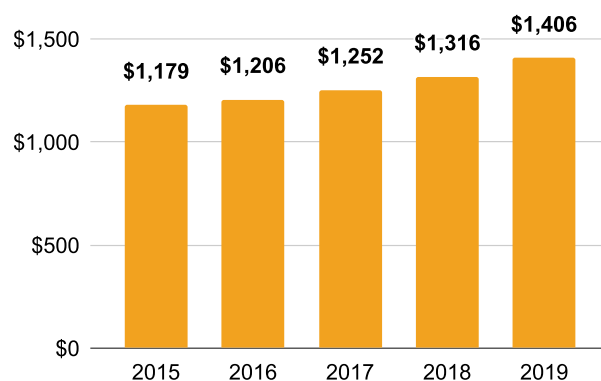
### ALBERTA AVERAGE ANNUAL PREMIUM COMPARISON

The average annual premium for a private passenger vehicle in 2019 was \$1,406; this has increased from \$1,316 in 2018. Consumers experienced a 6.9% increase in average premium from 2018 to 2019.

Since inception of the AIRB in 2004, the total average premium has increased 2.0% on an annual basis.

The increase in average premium since 2004 is attributed to the significant increases in basic coverage.

### AVERAGE PREMIUM



Source: GISA 2019 - Auto-1005-AB

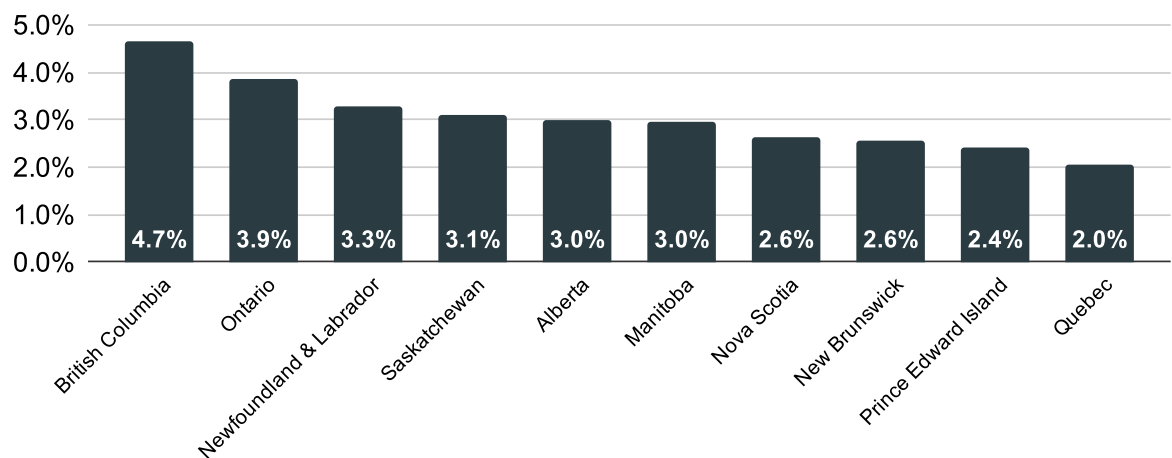


## PROVINCIAL PREMIUM COMPARISON

When comparing vehicle insurance premiums with other provinces, the AIRB benchmarks the percentage of after-tax income Albertans spend on the average insurance premium.

The average after-tax income spent on vehicle insurance premiums of the provinces included in the comparison is 2.9%.

### AVERAGE PREMIUM AS A PERCENT OF INCOME BY PROVINCE



Note: Based on 2018 data

## How are the Survey Results Used

The AIRB values the input received from consumers through the annual survey. The Consumer Representative shares the aggregate results with other government departments, as relevant to their work, and considers the consumer's viewpoint in the review of filings and new initiatives.

As part of the AIRB mandate, the AIRB ensures consumers have access to the information they need to facilitate informed choices regarding automobile insurance. In this year's survey, consumer responses suggest insurance is becoming a bigger concern. Consumers indicated they were experiencing unexpected increases in premiums more often than

previous years and they are interested in more information regarding vehicle insurance. Consumers also indicated they were not satisfied with the information currently available to them by their insurers, brokers or agents. This is an area the AIRB believes consumers would benefit from – an increased understanding of vehicle insurance, coverages, and the factors impacting their premium.

The AIRB 2020-2023 Business and Operational Planning documents include strategies to improve the overall level of understanding of insurance amongst consumers along with enhancing stakeholder engagement.

## My Observations

The role of the AIRB is to regulate rating programs of Alberta vehicle insurers to ensure premiums are accurately aligned to risk and insurance is available to all consumers. It is therefore paramount to ensure a good balance between the needs of consumers and those of the insurance industry to ensure a stable, affordable and accessible vehicle insurance product.

Whilst this year's survey did not include "focus groups", the expansion of the online panel survey proved a valuable method to obtain further insights into consumers' opinions. The results are reflective of the increasing consumer dissatisfaction with a number of areas including increasing premiums, accessibility, and obtaining satisfactory explanations to questions regarding increases in premiums. This trend has been evident since 2017 and now has reached a level where consumers no longer are experiencing equitable, sustainable and accessible vehicle insurance in Alberta.

In late 2017, a 5% limitation on overall premium levels for insurers was instituted for a two year period to address rising premiums being experienced by consumers. The impact to consumers resulted in significant increases for certain consumer groups as well as offsetting decreases for others. In addition, it

severely restricted access to vehicle insurance products reducing accessibility. During this period, consumer complaints to the AIRB as well as the Office of the Superintendent of Insurance escalated. The predominant areas of complaint focused on unacceptable premium increases, some so significant the consumers indicated they would have to stop driving or would risk driving without insurance. As well, accessibility issues and product availability such as additional coverages not being offered. Whilst Alberta has a predominance of vehicle insurers, over 90% is transacted by 10 insurers, still providing opportunities for competitive selection by consumers.

The measures undertaken in 2017/2018 with respect to the 5% cap have not proven to address the issues and have only served to aggravate the situation. In late December, the President of Treasury Board and Minister of Finance appointed an advisory committee to address the issues which had been identified by consumers and insurers. My colleagues on the AIRB and I look forward to working with the Government as they seek to implement changes recommended by the committee, to ensure consumers have, accessible and affordable vehicle insurance in Alberta.

## Appendix A

Y Station Report – AIRB 2020 Public Perception Survey







# AIRB 2020 Public Perception Survey

Yardstick Research

February 21, 2020



## Study Background and Methodology

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Since 2008, Yardstick Research has conducted the Alberta Automobile Insurance Rate Board (AIRB) Consumer Awareness and Perception Survey (“Consumer Survey”). To assess any potential changes in consumer awareness and perception regarding insurance rates over the past year, the AIRB repeated the Consumer Survey in 2020.

For the 2020 version of the survey, Yardstick Research conducted a total of 955 surveys with Albertans who reported managing automobile insurance for their household’s private passenger vehicles. An online panel survey (n=835) and a telephone survey (n=120) were used as the methodology.

## Executive Summary – Purchasing Behaviour

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Over half of respondents (62%; a significant increase from 51% in 2019) reported obtaining competitive quotes at any time in the past 2 years, prior to making a decision about which company to purchase insurance from. Those who sought competitive quotes before purchasing their insurance (n=556) most frequently made telephone calls to brokers (74%). Nearly two thirds (63%) of those who sought competitive quotes decided to purchase insurance via telephone/in person with a broker.

With regards to respondent loyalty to their policy and/or company in the past 2 years<sup>1</sup>:

- 80% of all respondents **remained with their existing carrier**;
- 46% of all respondents **obtained a new policy**; and
- 27% of all respondents **switched insurance companies**.

## Executive Summary - Perceptions on Automobile Insurance

56% reported having **experienced an unexpected increase in insurance rates although they are claims and convictions free** (a significant increase from 43% in 2019);

15% experience **unexpected increases in automobile insurance rates due to recent claims or convictions** (a significant increase from 9% in 2019);

9% **decided not to insure a vehicle** (a significant increase from 5% in 2019); and

3% **reported having been denied automobile insurance coverage** in the past 2 years (a significant increase from 1% in 2019).

One-quarter of respondents (23%; a significant decrease from 34% in 2019) agreed that their insurance premiums are fair and reasonable. 91% were aware that some Alberta drivers are facing increases in vehicle insurance premiums.

Over one-third of respondents (37%; a significant decrease from 48% in 2019) would consider signing up for usage-based insurance.



## Executive Summary – Autonomous Vehicles and Driving Under the Influence

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29% of respondents were likely to ride in an autonomous car if they were allowed on Alberta roads.

9% of respondents considered it safe to drive under the influence of cannabis, while 81% considered it unsafe.

When asked how dangerous they feel cannabis impaired driving is compared to alcohol impairment, 58% of respondents believed that driving under the influence of cannabis is similar to alcohol impaired driving.

Then majority of respondents (75%) were supportive of having penalties for driving under the influence of cannabis match penalties for driving under the influence of alcohol.

## Executive Summary – Household Insurance Profile

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17% of respondents were involved in a motor vehicle accident in the past two years.

Of those who were involved in any motor vehicle accidents in the past two years (n=152):

- 12% indicated that someone in their household had been involved in a **collision with another vehicle** in the past 2 years and did not report a claim (a significant decrease from 24% in 2019);

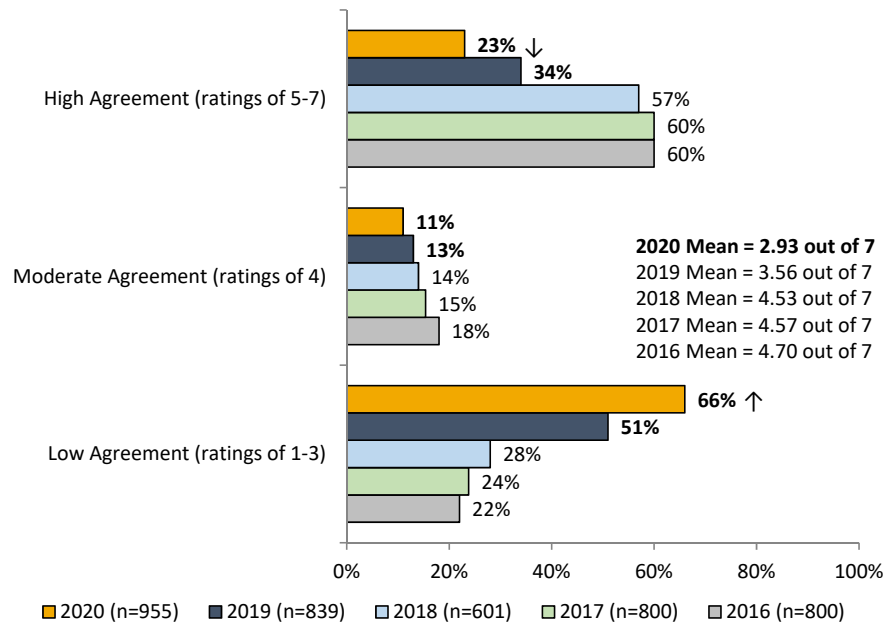
- 12% indicated that someone in their household had been involved in a **collision not involving another vehicle** and did not report a claim;

- 7% indicated that someone in their household had experienced a **non-collision incident** (e.g., property damage caused by fire, theft, hail, or vandalism) and did not report a claim; and

80% of respondents reported that their household had not made any at-fault claims in the past 6 years, while 16% had made one (1) claim.

# Perceptions of Automobile Insurance

How strongly do you agree that your automobile insurance premiums are fair and reasonable?



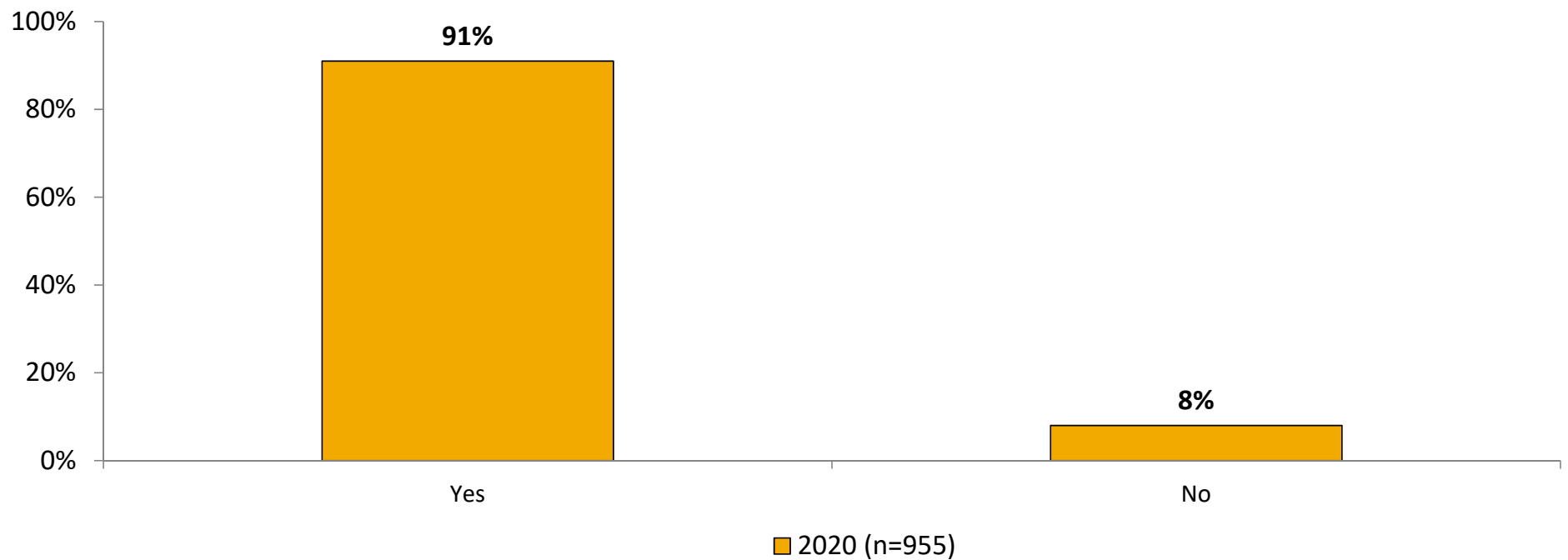
↑↓ Indicates a significant increase or decrease from 2019

Using a scale of 1 to 7, how strongly do you agree that, given your personal circumstances, your automobile insurance premiums are fair and reasonable?

	Percent of Respondents				
	2020 (n=955)	2019 (n=839)	2018 (n=601)	2017 (n=800)	2016 (n=800)
(7) Completely agree	5	12	14	11	16
(6)	6	8	20	21	16
(5)	11	14	24	28	28
(4)	11	13	14	15	18
(3)	18	15	12	11	11
(2)	18	13	7	4	5
(1) Do not agree at all	31	23	9	10	6
Don't Know/Not Stated	1	2	1	1	2
<b>Mean</b>	<b>2.93 out of 7</b>	<b>3.56 out of 7</b>	<b>4.53 out of 7</b>	<b>4.57 out of 7</b>	<b>4.70 out of 7</b>

## Perceptions of Automobile Insurance

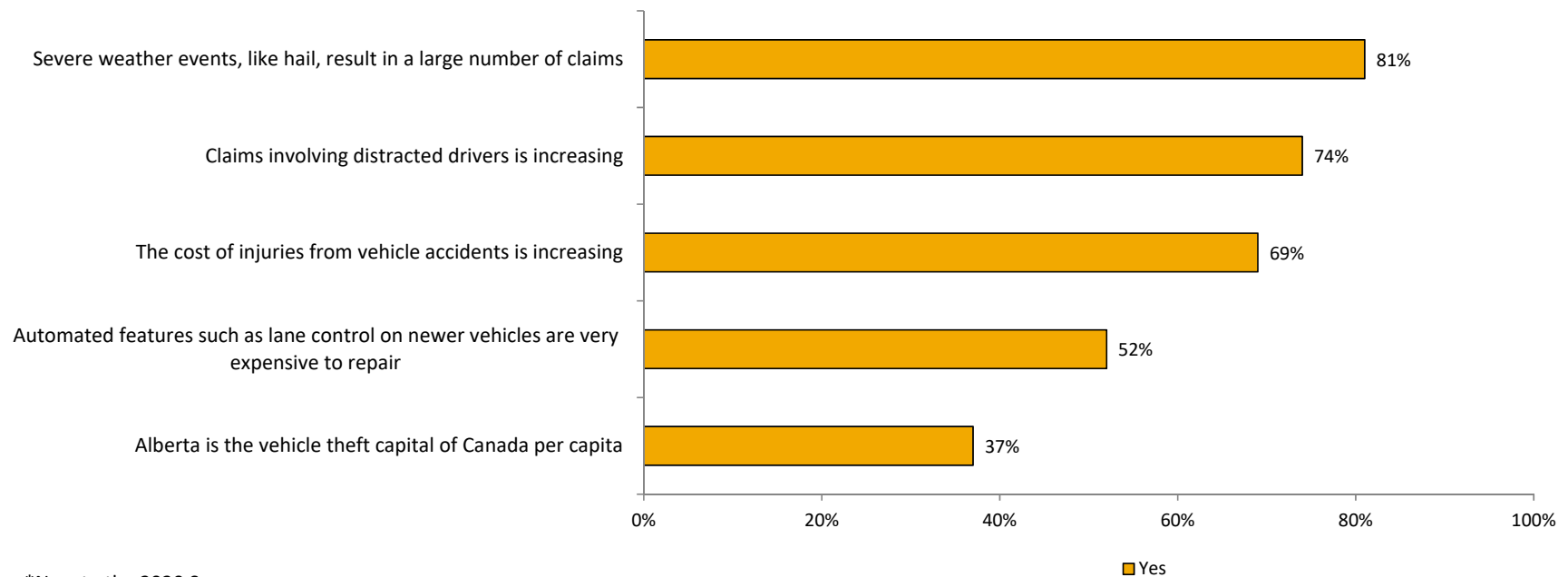
Were you aware that some Alberta drivers are facing increases in vehicle insurance premiums?\*



\*New to the 2020 survey

## Perceptions of Automobile Insurance

Were you aware that the following factors contribute to the rising cost of insurance?\*

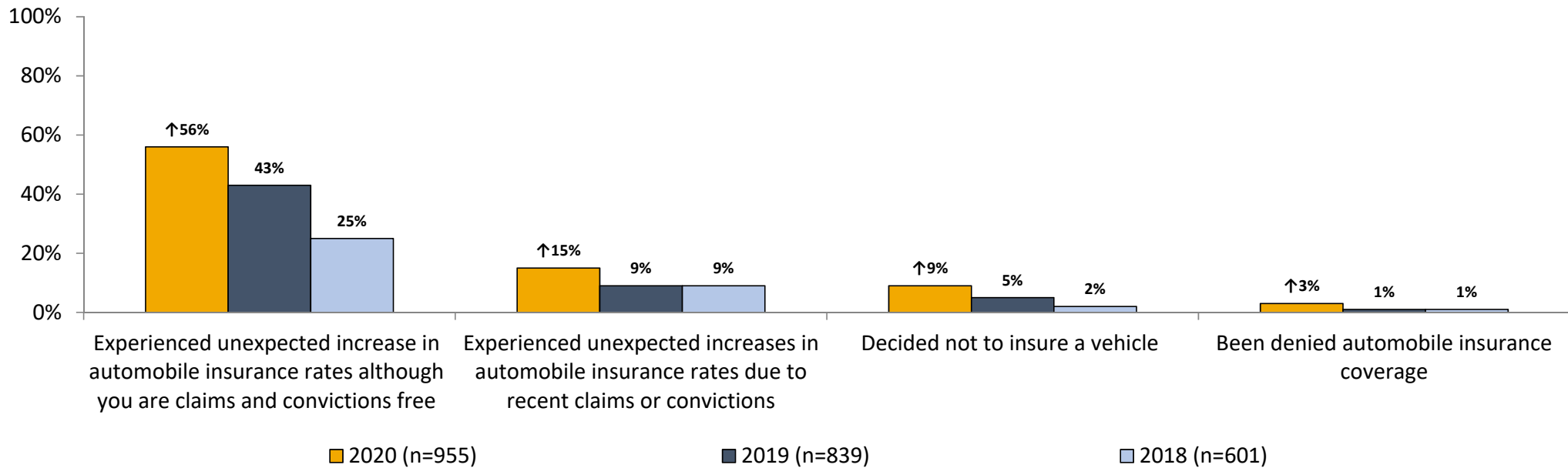


\*New to the 2020 Survey

\*Multiple Responses

## Perceptions of Automobile Insurance

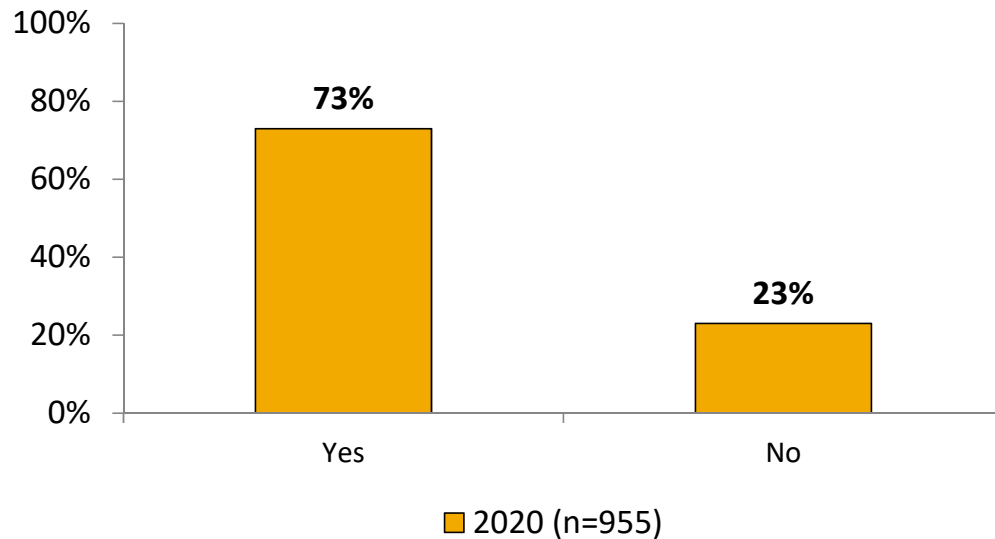
In the last 2 years, have you, or anyone else in your household...?



↑ Indicates a significant increase from 2019

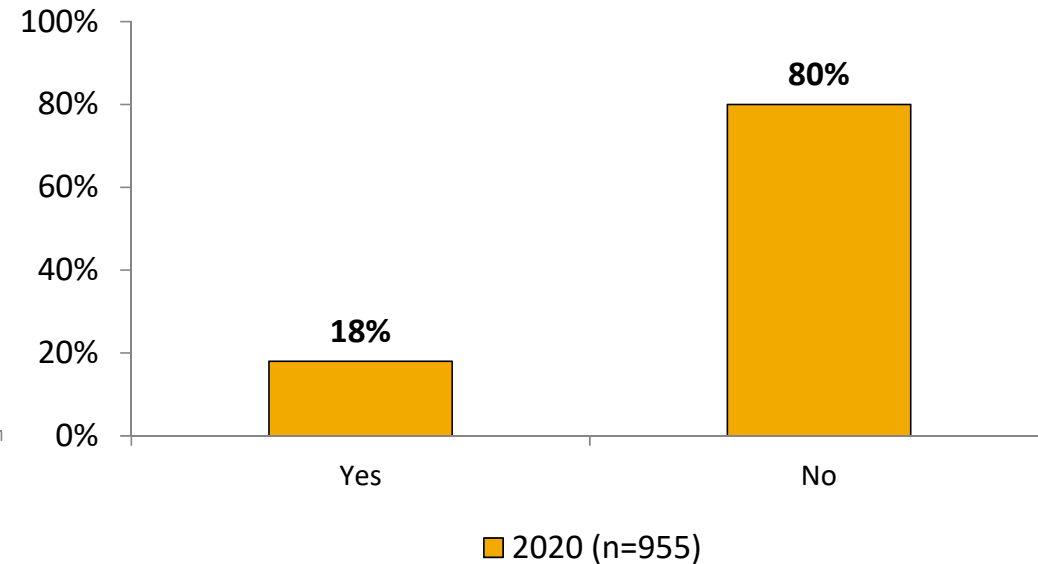
## Perceptions of Automobile Insurance

Did you contact your broker or agent for an explanation as to why your premium increased?\*



\*New to the 2020

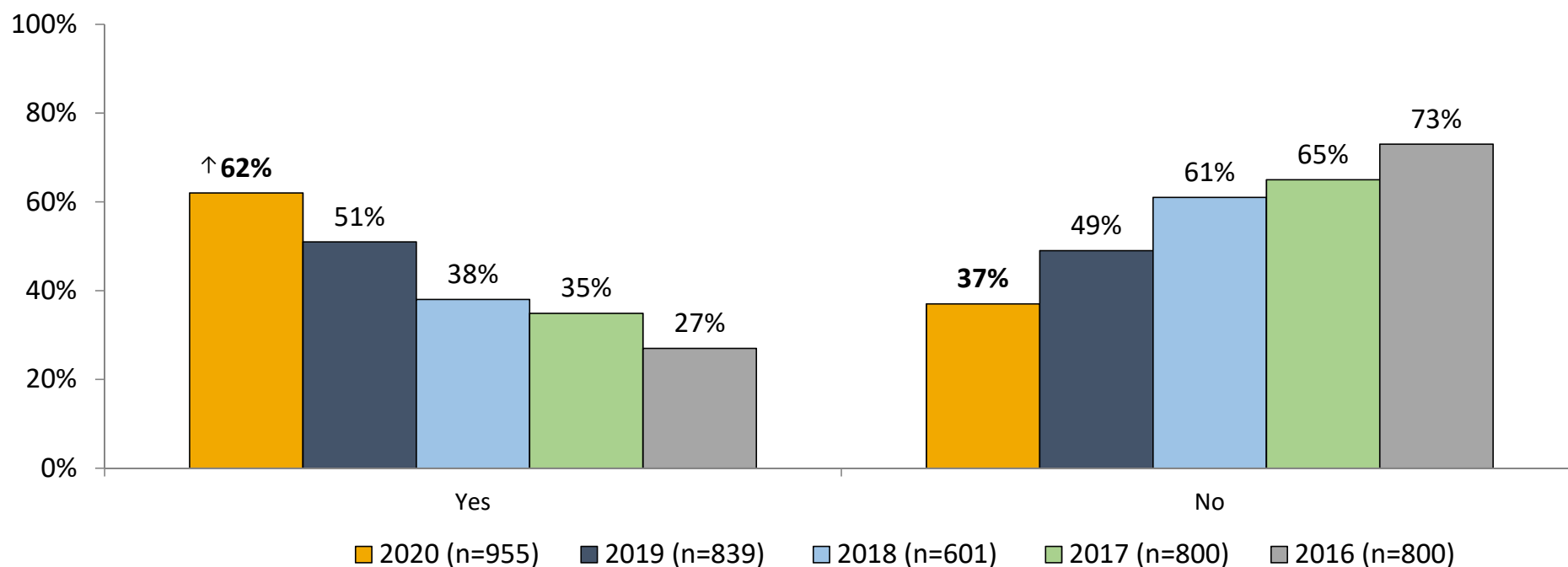
Did your broker or agent provide you with a satisfactory explanation as to why your premium increased?\*



\*New to the 2020

## Purchasing Behaviour

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



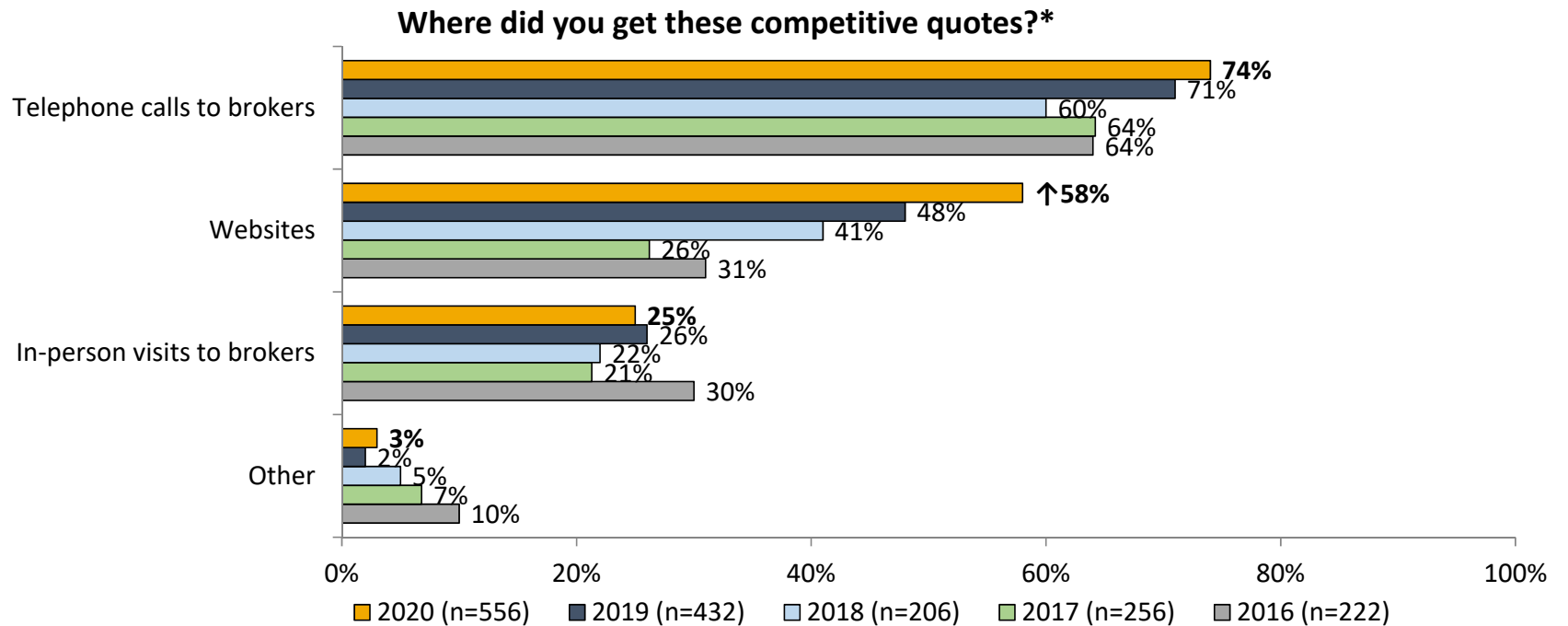
↑ Indicates a significant increase from 2019



## Purchasing Behaviour

How many quotes did you obtain while shopping for insurance?							
Base: Respondents who sought competitive quotes before purchasing automobile insurance	Percent of Respondents						
	2020 (n=556)	2019 (n=432)	2018 (n=206)	2017 (n=256)	2016 (n=222)	2015 (n=212)	2014 (n=284)
One (1) quote	10	7	15	10	10	9	18
Two (2) to four (4) quotes	72	80	78	83	83	84	76
Five (5) or more quotes	16	12	7	5	5	5	5

## Purchasing Behaviour



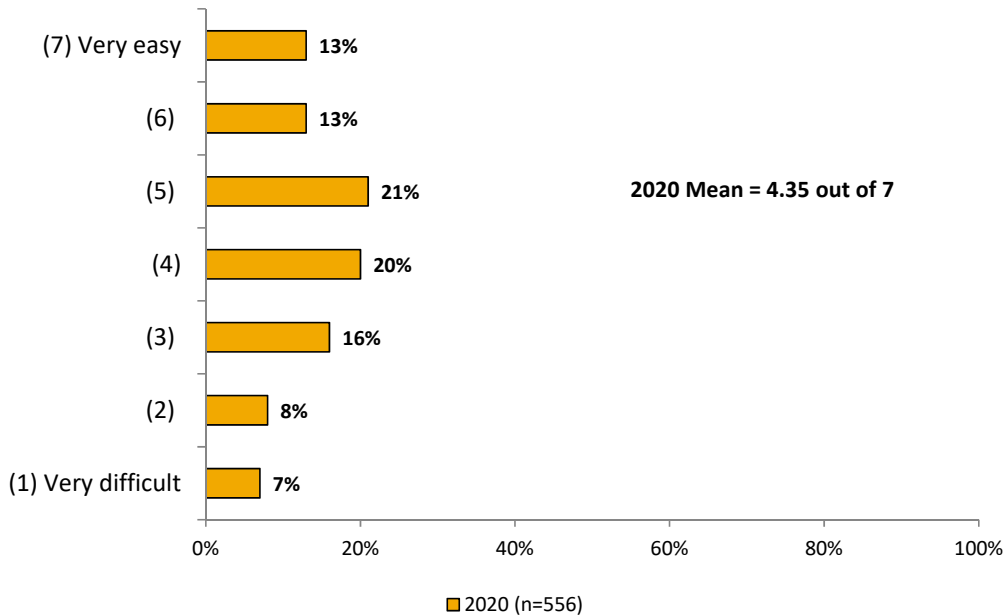
Base: Respondents who sought competitive quotes before purchasing automobile insurance

\*Multiple Responses

↑ Indicates a significant increase from 2019

## Purchasing Behaviour

Please rate the level of effort that is needed to get a quote



Base: Respondents who sought competitive quotes before purchasing automobile insurance

### What was the most difficult part in obtaining quotes?

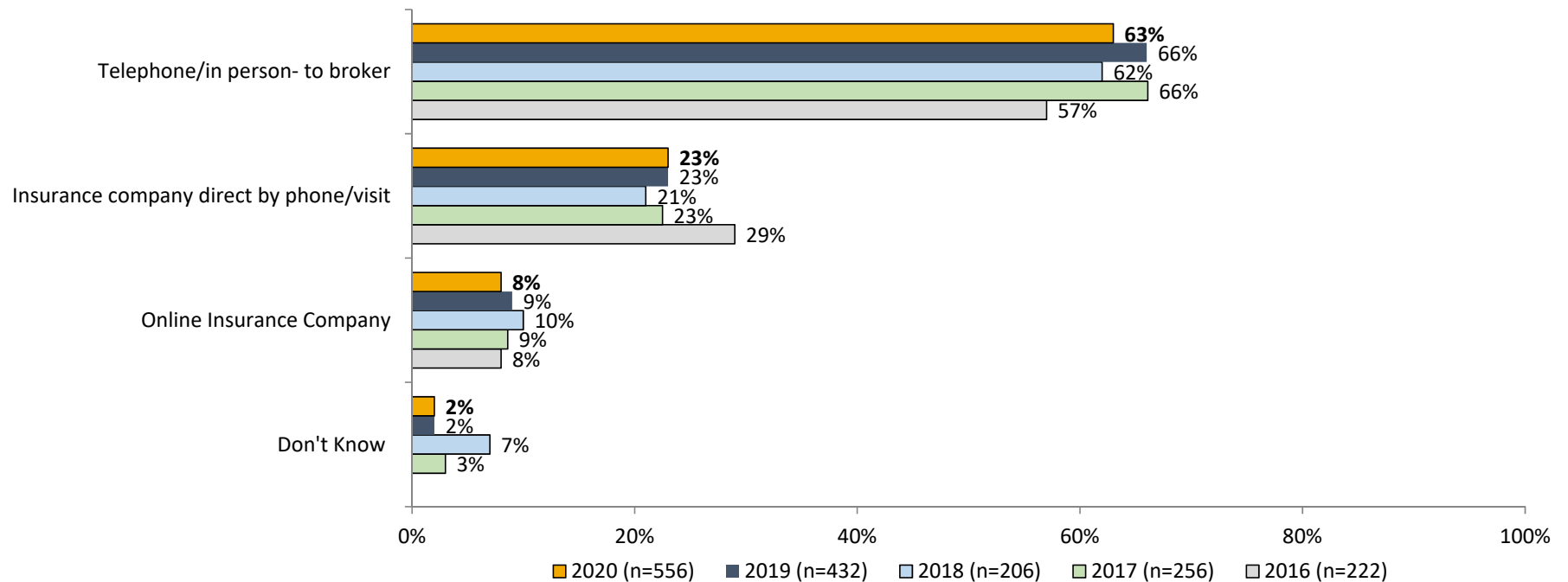
Understanding the coverages	23.8%
Unable to get a final quote online unless talking to a broker/agent	41.1%
Too many questions	12.8%
Cost of coverage/quotes/rates, in general	2.8%
Slow/poor response time	2.3%
Time constraints/process is too time consuming	2.0%
Finding a suitable/available broker	1.2%
Difficulty contacting a broker	0.7%
Was unable to obtain copy of paperwork/documentation	0.5%
Other (<1% of responses)	1.4%
None/Nothing	3.7%
Don't Know/Not Stated	7.7%

n=556

Base: Respondents who sought competitive quotes before purchasing automobile insurance

## Purchasing Behaviour

When you made your decision to purchase insurance what method did you use?

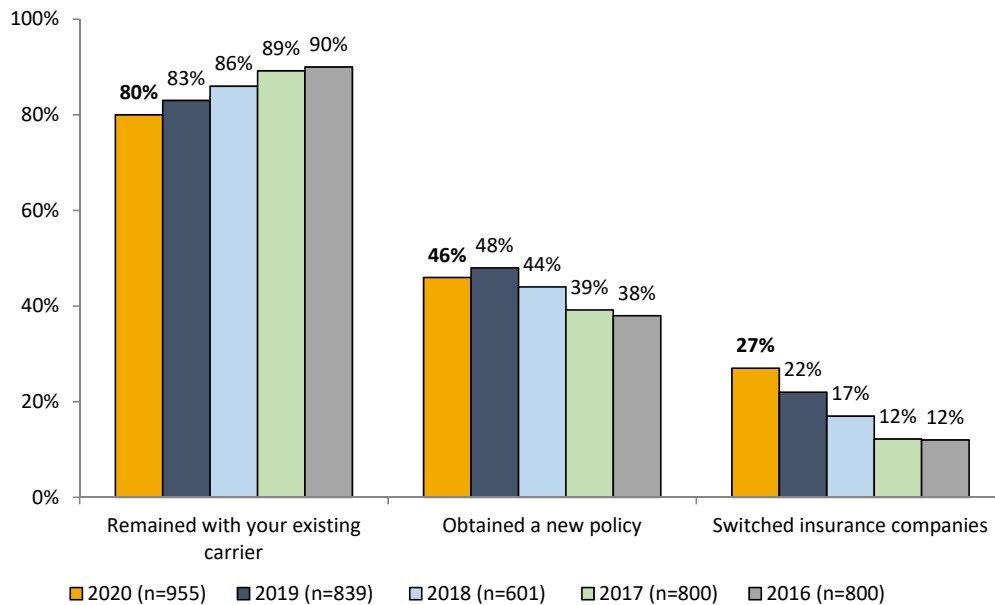


Base: Respondents who sought competitive quotes before purchasing automobile insurance

\*Question not asked prior to 2016

## Purchasing Behaviour

In the last 2 years, have you, for any of your vehicles...?\*



\*Percent of respondents who said "yes".

What lead to the decision to switch from the prior automobile insurance company?\*

• Able to find a lower premium	85%
• Payment plan was not being offered	18%
• Poor claims service	16%
• Desired coverage not available	11%
• Moved/relocated	2%
• Wanted to combine/bundle insurance	1%
• Broker/agent changed companies	1%
• Company was sold/bought out	1%
• Limited usage of vehicle	<1%
• Purchased a new vehicle	<1%
• Don't Know/Not Stated	1%

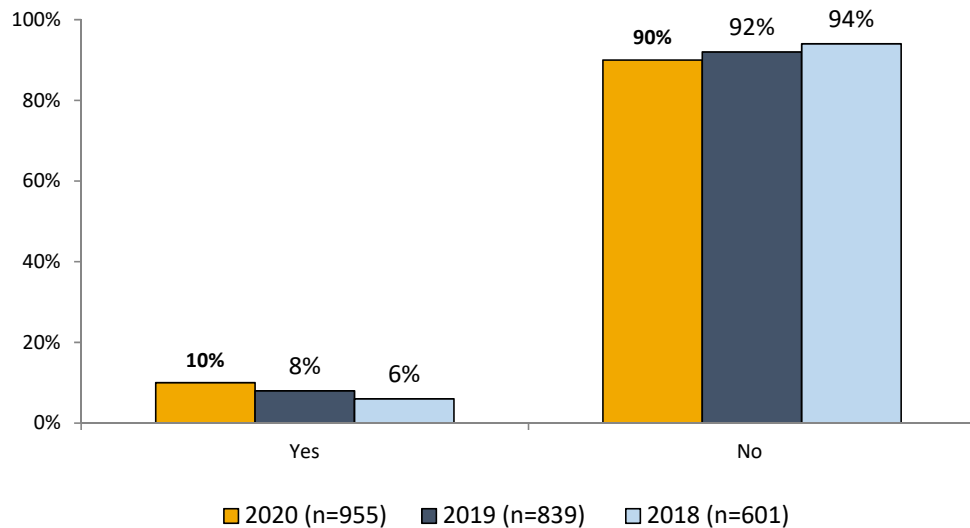
n=235

Base: Respondents who switched insurance companies in the last 2 years

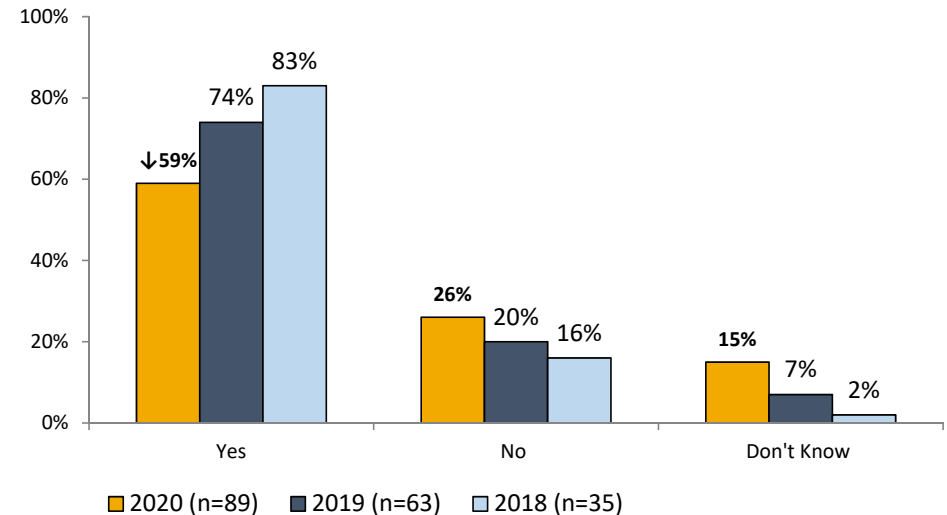
\*Multiple responses

## Perceptions of Automobile Insurance

Have you had a collision in the last 6 years, for which you claimed from insurance for medical treatment?\*



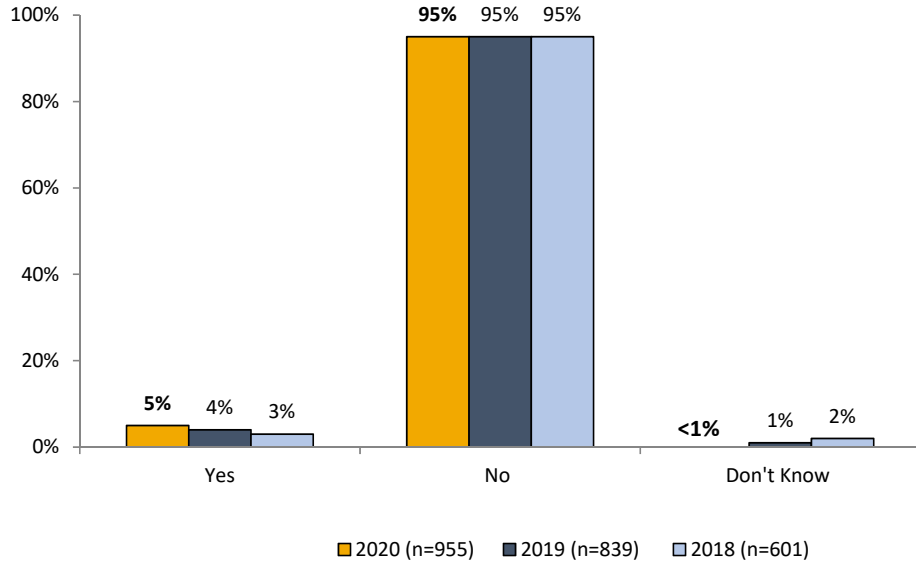
If you claimed for treatment, were you able to access appropriate medical treatment for your injuries?\*



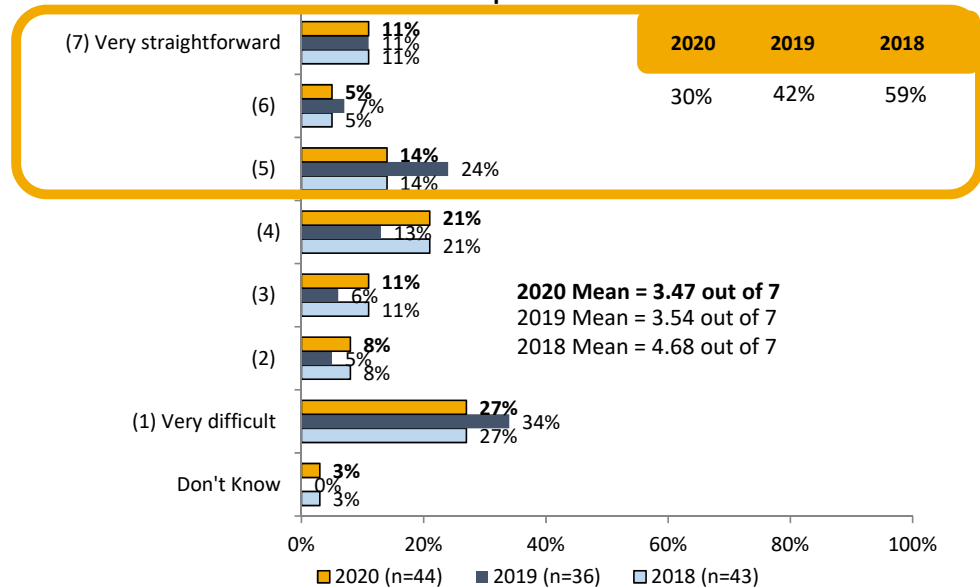
Base: Respondents who have had a collision in the last 6 years for which they claimed from insurance for medical treatment

## Perceptions of Automobile Insurance

Have you had a collision in the last 6 years, for which you claimed from insurance for injury compensation?\*



Please rate the level of your experience in making and settling the claim for compensation\*

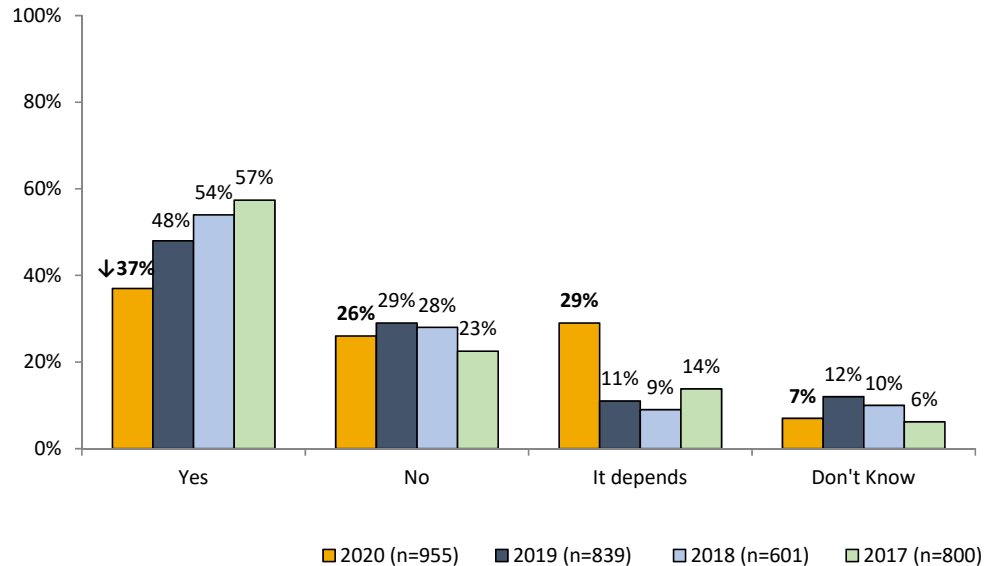


\*Question not asked prior to 2018

Base: Respondents who have had a collision in the last 6 years for which they claimed from insurance for injury compensation

## Usage-Based Insurance

Would you consider signing up for usage-based insurance when your insurance companies make it available to you?



\*Not asked prior to 2016

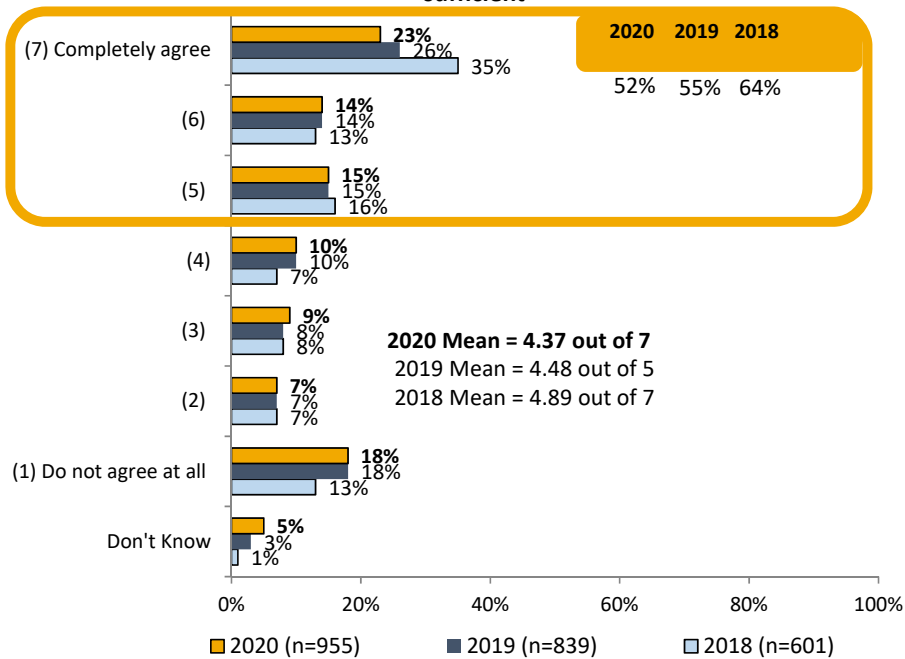
### It depends

- Depends on the discount/cost 15%
- Depends if my privacy/rights would be violated 6%
- Need more information/details 5%
- Depends if my privacy/rights would be violated 6%
- Depends on accuracy of data 2%
- Depends on the criteria/eligibility 2%
- Depends if device would be installed in my vehicle 1%
- Depends on reputation of the company 1%
- Depends on my personal situation <1%
- Depends on the insurance coverage <1%
- Depends on if my insurance company offers this <1%



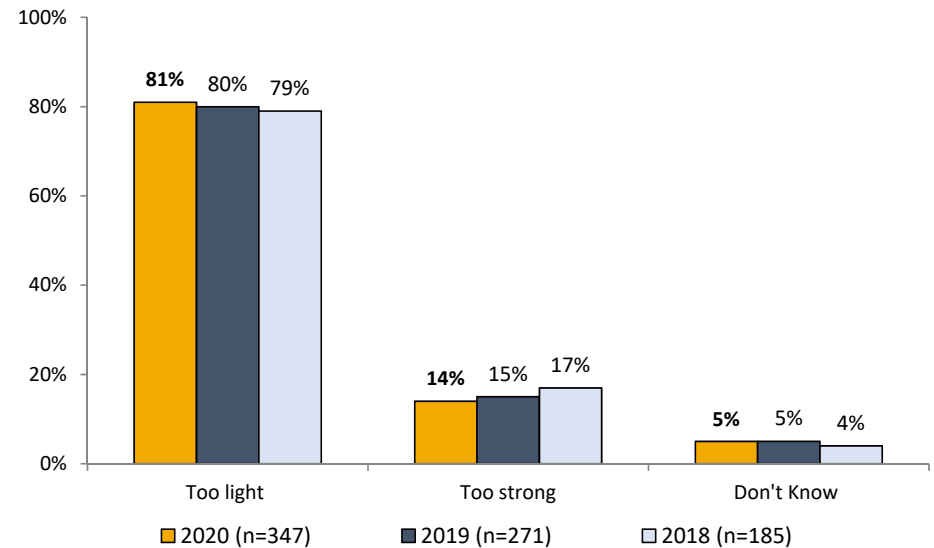
# Distracted Driving

Please rate your level of agreement that the current penalties are sufficient\*



\*Question not asked prior to 2018

If you do not agree, do you think the current penalties are too strong or too light?\*

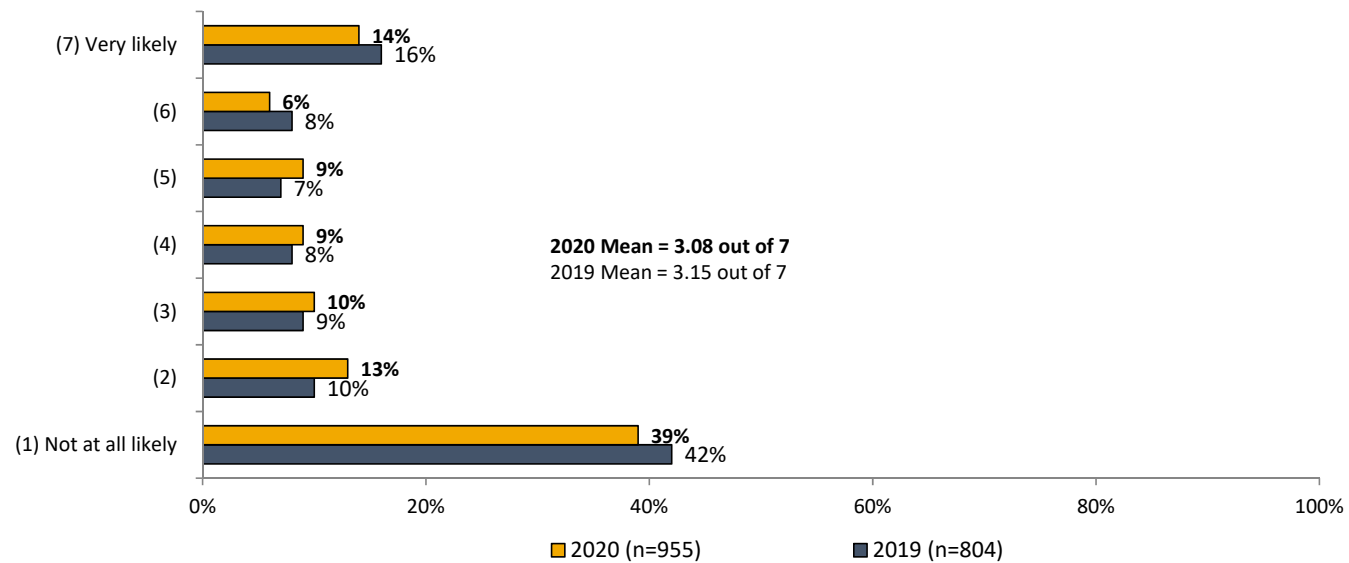


\*Question not asked prior to 2018

Base: Respondents who do not agree that the current penalties are sufficient (ratings of 1 to 3 out of 7)

# Autonomous Vehicles

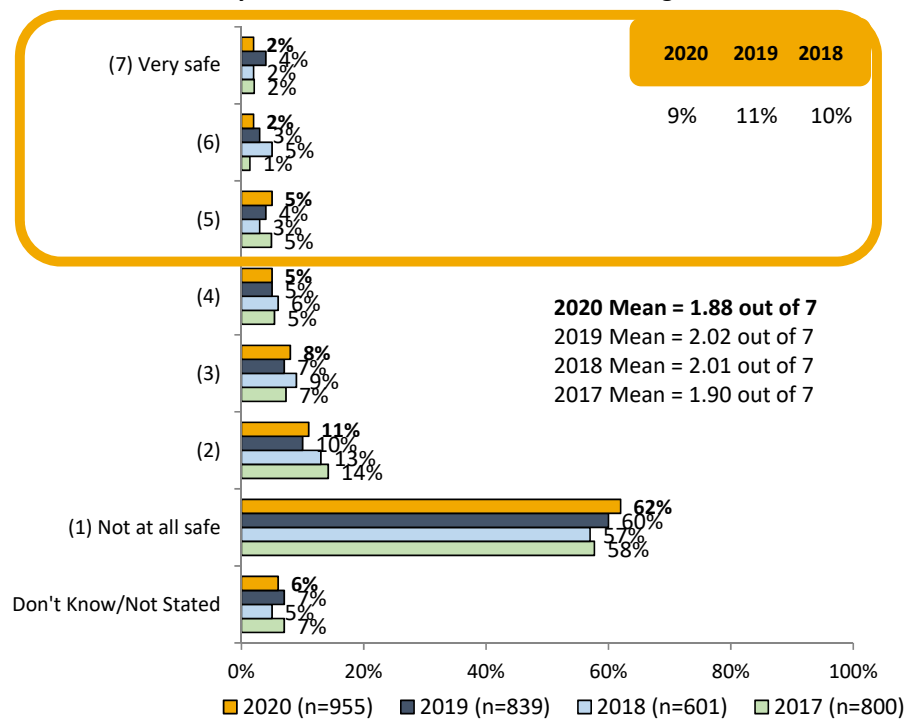
If fully automated vehicles are allowed on Alberta roads, in your opinion, how likely is it that you would ride in a fully automated vehicle?



\*New to the 2019 survey  
Base excludes 'don't know/not stated' responses

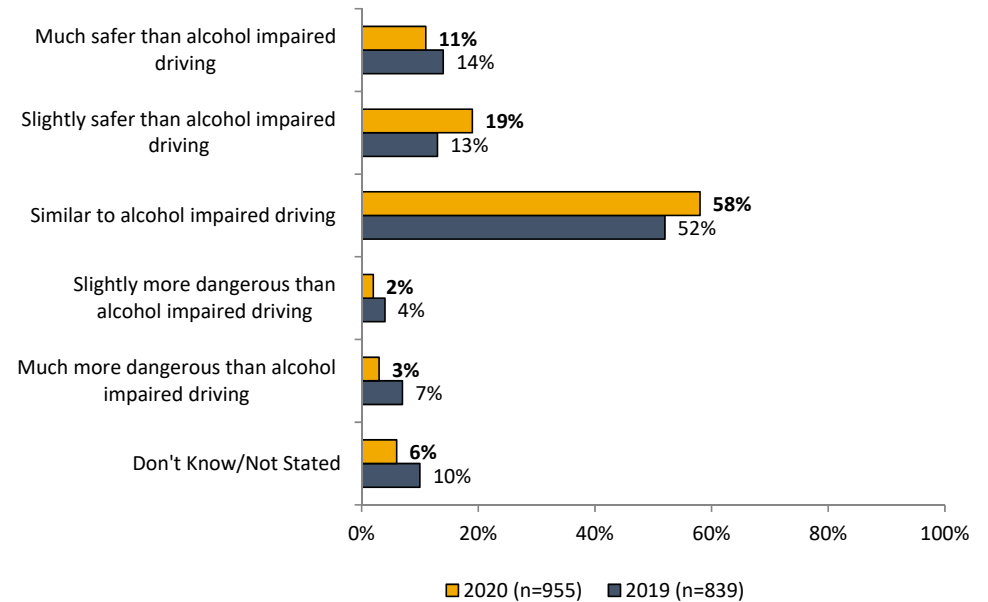
## Driving Under the Influence

How safe do you consider it to be to drive after using cannabis?\*



\*Not asked prior to 2017

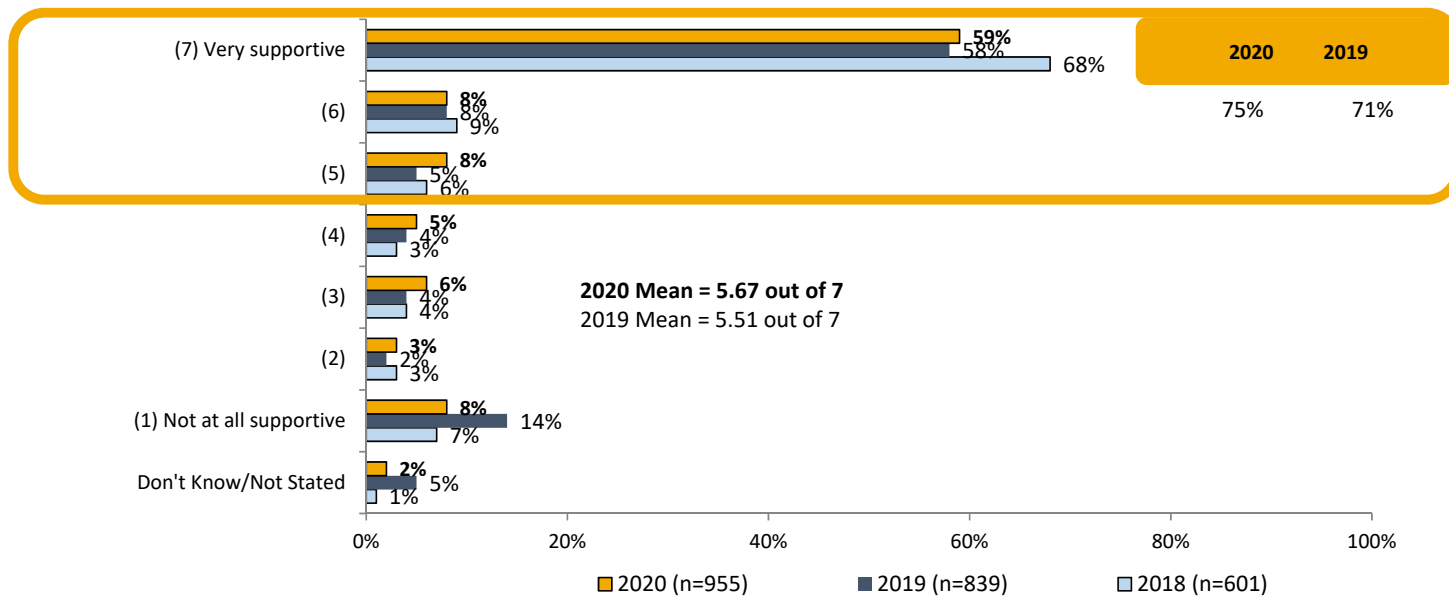
Much research exists on the influence of alcohol impairment and accident frequency; however, research on cannabis and accident frequency is limited. Compared to alcohol impairment, how dangerous do you feel cannabis impaired driving is?\*



\*New to the 2019 survey

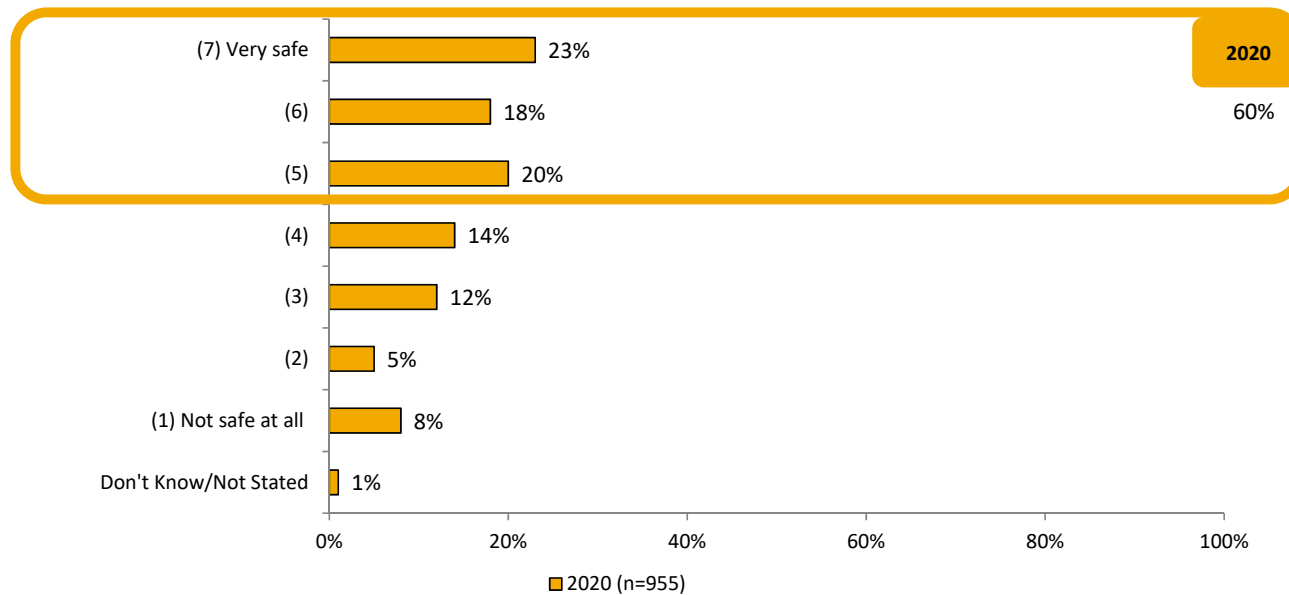
## Driving Under the Influence

How supportive are you regarding having penalties for driving under the influence of cannabis match penalties for driving under the influence of alcohol?\*



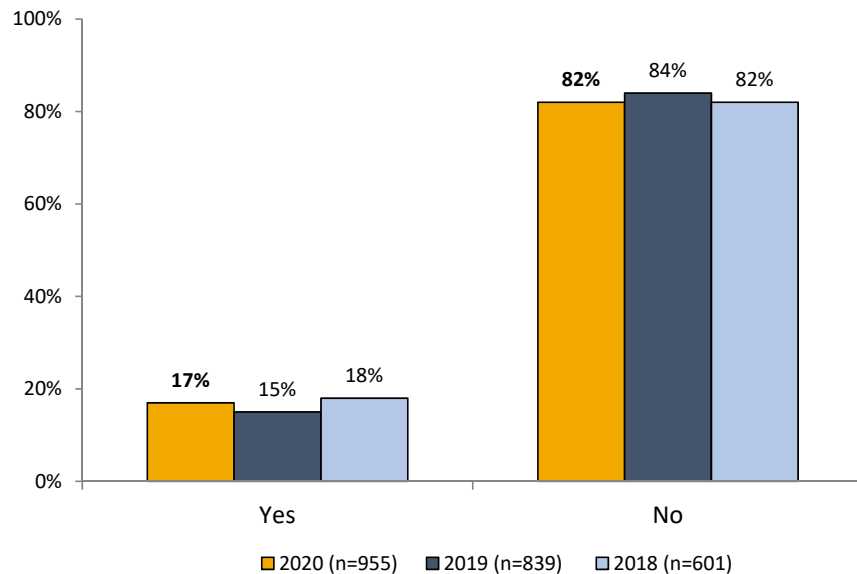
## Traffic Circles and Roundabouts

How safe do you feel traffic circles/roundabouts are?

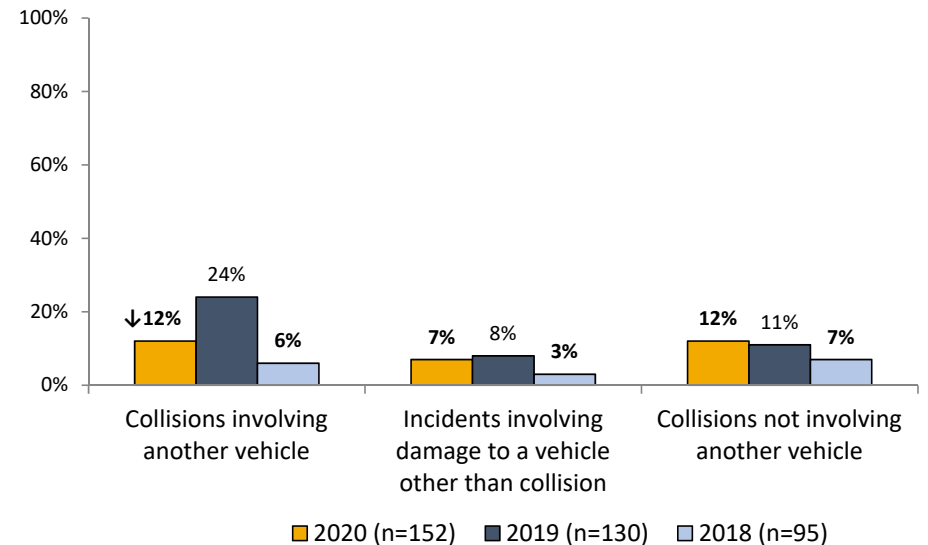


## Household Insurance Profile

In the past two years, have you been involved in any motor vehicle accidents?\*



In the last 2 years, have you been involved in any of the following motor vehicle accidents for which you did not report a claim...? \* \*\*



\*Percent of respondents who said "yes"  
↓ Indicates a significant decrease from 2019

## Household Insurance Profile

### Why did you choose not to report your claim(s)?\*

- |  |     |
|--|-----|
| ● Very little damage to my vehicle or damage amount was below the deductible | 43% |
| ● Did not want my premiums to increase                                       | 14% |
| ● Vehicle theft/item stolen from vehicle                                     | 6%  |
| ● Agreed to settle with other driver   | 5%  |
| ● Was an accident involving a wild animal                                    | 4%  |
| ● Was a hit and run accident   | 4%  |
| ● Was a rental vehicle   | 3%  |
| ● No damage to my vehicle  | 3%  |
| ● Accident occurred on private property                                      | 2%  |
| ● Don't know/not stated  | 17% |

n=42

Base: Respondents who have been involved in any collisions/incident in the past 2 years, and did not report a claim for their collision/incident

\*Multiple responses

## Demographics

	Percent of Respondents						
	2020 (n=955)	2019 (n=839)	2018 (n=601)	2017 (n=800)	2016 (n=800)	2015 (n=800)	2014 (n=800)
<b>Gender</b>							
Male	50	56	50	50	50	50	52
Female	50	43	50	50	50	50	48
<b>Age</b>							
18 to 34 years old	32	30	32	33	4	9	4
35 to 54 years old	36	21	36	38	25	34	24
55 years of age or older	32	50	32	29	67	57	72
Mean	46.8 years	50.7 years	47.1 years	46.8 years	61.0 years	57.4 years	61.5 years
<b>For how many years have you been a licensed driver?</b>							
10 years or less	19	15	20	18	2	6	3
11 to 20 years	21	19	21	21	7	10	6
21 to 30 years	15	8	17	19	16	19	13
31 to 40 years	18	16	19	19	23	23	25
41 to 50 years	16	25	12	13	28	19	28
More than 50 years	10	16	11	11	24	23	26
Mean	28.3 years	32.7 years	27.8 years	28.2 years	41.3 years	38.2 years	42.0 years



## Demographics

	Percent of Respondents						
	2020 (n=955)	2019 (n=835)	2018 (n=601)	2017 (n=800)	2016 (n=800)	2015 (n=800)	2014 (n=800)
<b>How many licensed drivers do you arrange insurance for in your household?</b>							
One (1) driver	41	39	35	30	30	32	31
Two (2) drivers	47	49	53	51	54	53	55
Three (3) drivers	7	7	6	14	9	9	9
Four (4) drivers	3	3	3	4	4	4	3
Five (5) or more drivers	<1	<1	1	1	1	1	2
None	1	1	2	1	1	1	<1
Mean	1.73 drivers	1.74 drivers	1.86 drivers	1.95 drivers	1.91 drivers	1.95 drivers	2.00 drivers

## Demographics

	Percent of Respondents
	2020 (n=955)
How many times in the past 6 years have you or someone covered by your insurance policy had an at-fault claim?	
None	80
One (1)	16
Two (2)	2
Three (3)	1
Four (4)	<1
Five (5)	<1
Don't Know	1
Mean	1.26