

Bulletin to All Insurers

Communication to Policyholders on “Good Driver” Protection

Bulletin 09-2023

November 7, 2023

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this bulletin to set forth communication expectations related to premium changes and the “good driver” protection, under Ministerial Order 38/2023.

Background

In accordance with Section 9 of the [AIRB Filing Guidelines](#) and further to the “[Consumer Experience at Renewal](#)” report, the AIRB expects all insurers to ensure their communications to policyholders include a detailed explanation of premium changes.

The Government of Alberta’s [recent announcement](#) of “good driver” rate protection creates an expectation a good driver will not see more than a 3.7% increase at renewal in 2024.

A good driver is anyone without the following:

- any at-fault accidents in the last six years;
- any Criminal Code traffic convictions in the last four years;
- any major traffic convictions in the last three years; and
- more than one minor traffic conviction in the last three years.

The AIRB is aware there are situations where a good driver will see an increase over the announced inflation cap due to previously approved rating program changes and/or rate capping continuing to flow through the insurer’s rating program.

Action Required

As policyholders will be concerned if their premium increases above the threshold set by government, it is, incumbent upon insurers to explain why a premium for a good driver is increasing above the announced 3.7%. The AIRB expects the policyholder communication to be clear and in plain language.

In the event a renewal notice has gone out to a policyholder for a 2024 renewal, the AIRB expects follow-up communication be sent to the policyholder providing a detailed explanation of the premium increase.

In addition, the AIRB expects information about individual good drivers experiencing an increase over 3.7% will be sent to an insurer’s distribution network to ensure all partners are able to provide adequate explanation to their policyholders.

Should you have any questions relating to this Notice, please contact our office at (780) 427-5428 or by email: airb@gov.ab.ca.

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