

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 14th, 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 14th 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
Feel premiums are reasonable	38%	78%	30% ¹	37% ²
Obtained comparative quotes³	92%	66%	60% ⁴	75%
Willing to try Usage Based Insurance	83%	86%	80% ⁵	80%
Feel current penalties for distracted driving are insufficient	42%	55%	90% ⁶	50%
Would use autonomous vehicles	58%	56% ⁷	99%	50%
Driving under the influence of cannabis is unsafe	80%	78%	N/A	80%
Would like to receive electronic insurance documents	100%	67%	44%	88%

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

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

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

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

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

⁶ 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.

⁷ 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
Feel premiums are reasonable	57%
Obtained comparative quotes⁸	38%
Willing to try Usage Based Insurance	54%
Feel current penalties for distracted driving are insufficient	28%
Would use autonomous vehicles	27%
Driving under the influence of cannabis is unsafe	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
Feel premiums are reasonable	34%
Obtained comparative quotes	54%
Willing to try Usage Based Insurance	50%
Feel current penalties for distracted driving are insufficient	26%
Would use autonomous vehicles	27%
Driving under the influence of cannabis is unsafe	75%

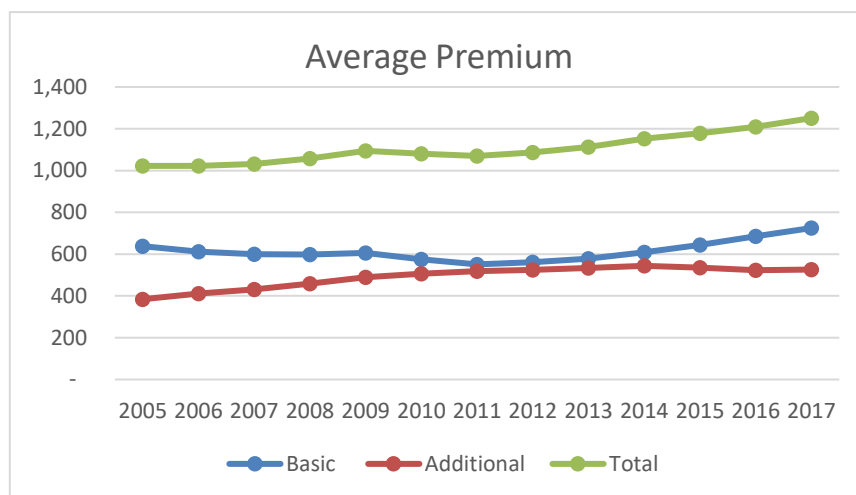
Topics Consumers Shared Views On

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.

⁸ 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'

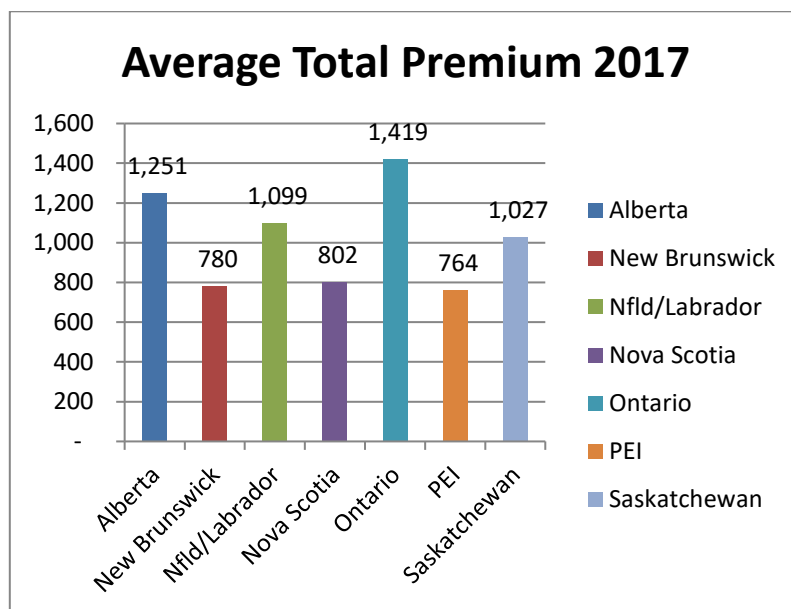
Virtually all of the consumers I consulted feel that "high risk" drivers deserve to pay high premiums. There is, however, a risk that when the premium becomes too high, individuals will drive without insurance as the enforcement and fines are not significant enough to deter them from doing so, since 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 Provinces⁹

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.

⁹ 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 ± 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.

Response	Web %	Telephone %	Average %
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.

Response	Web %	Telephone %	Average %
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.

Response	Web %	Telephone %	Average %
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.

Response	Web %	Telephone %	Average %
Yes	23%	17%	20%
No	77%	86%	82%

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

Response	Web %	Telephone %	Average %
Yes	37%	25%	31%
No	63%	75%	69%

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

Response	Web %	Telephone %	Average %
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.

Response	Web %	Telephone %	Average %
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.

Response	Web %	Telephone %	Average %
Yes	81%	83%	82%
No	19%	16%	18%

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

Response	Web %	Telephone %	Average %
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.

Response	Web %	Telephone %	Average %
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.



2018 Public Perception Survey
Report



April 13, 2018

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1.0 SUMMARY OF FINDINGS

In 2018, the Consumer Representative for the Alberta Automobile Insurance Rate Board (AIRB) contracted Banister Research Limited (Banister Research) to conduct a survey amongst adult residents of Alberta to assess the public's perceptions and knowledge of various features of automobile insurance in Alberta. Surveys were completed randomly via telephone, with individuals who reported managing automobile insurance for their household's private passenger vehicles. A total of 601 respondents completed the telephone survey, providing a margin of error no greater than $\pm 4.0\%$ at the 95% confidence level, or 19 times out of 20.

Key findings of the 2018 Public Perception Survey included:

Purchasing Behaviour

- 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. Over one-third of the respondents (38%) reported obtaining quotes, comparable to 2017 (35%).
 - Those who sought competitive quotes before purchasing their insurance (n=206) obtained a mean of 2.71 quotes in 2018.
 - The majority of respondents (60%) who obtained quotes (n=206) most frequently reported having made telephone calls to brokers. Forty-one percent (41%) received competitive quotes from websites, and 22% made in-person visits to brokers.
 - Sixty percent (60%) of respondents who sought competitive quotes before purchasing automobile insurance (n=206) rated the level of effort needed to get a quote as easy (ratings of 1 to 3 out of 7).
 - Those who sought competitive quotes (n=206) most frequently decided to purchase insurance via telephone/in person with a broker (62%). Twenty-one percent (21%) purchased via an insurance company direct by phone/visit, and 10% purchased via online company.
- With regards to respondent loyalty to their policy and/or company in the past 2 years:
 - Eighty-six percent (86%) of all respondents **remained with their existing carrier** (comparable to 89% in 2017);
 - Forty-four percent (44%) of all respondents **obtained a new policy** (comparable to 39% in 2017); and
 - Seventeen percent (17%) of all respondents **switched insurance companies** (a significant increase from 12% in 2017).¹
 - Respondents who switched insurance companies in the past 2 years (n=98) were asked for the reasons why they decided to switch companies. Over three-quarters of the respondents (79%) indicated that they switched due to lower premiums and/or lower deductibles.

¹ Findings are independent of one another (i.e., respondents were permitted to have indicated they remained with their existing carrier, obtained a new policy, *and* switched insurance companies).

Perceptions on Automobile Insurance

- With regards to respondent perceptions of automobile insurance in Alberta:
 - Twenty-five percent (25%) reported having **experienced excessively high insurance rates although they are claims and convictions free**;
 - Nine percent (9%) experience **unexpected increases in automobile insurance rates due to recent claims or convictions**;
 - Two percent (2%) **decided not to insure a vehicle**; and
 - One percent (1%) **reported having been denied automobile insurance coverage** in the past 2 years.
- When asked to indicate how strongly they agreed that their insurance premiums are fair and reasonable, 57% of the respondents agreed, overall.
- The majority of respondents (77%) understood their automobile coverages (ratings of 5 to 7 out of 7).
- Eight percent (8%) of respondents have escalated a complaint with their insurance company in the past 6 years.
 - Over half (58%) of those who had escalated a complaint with their insurance company in the past 6 years (n=48) indicated that the complaint resolution was explained to them and it was easy to understand.
 - Forty-nine percent (49%) of respondents who had escalated a complaint with their insurance company in the past 6 years (n=48) indicated that their complaint was resolved, while 49% of respondents indicated that it was not.
 - Over three-quarters (78%) of respondents who had escalated a complaint with their insurance company in the past 6 years and had the complaint resolved (n=26) reported that it took less than three months to resolve.
 - Over half (62%) of those who who had escalated a complaint with their insurance company in the past 6 years and had the complaint resolved (n=26) indicated that their complaint was resolved at the supervisor level.
- Six percent (6%) of respondents had a collision in the last 6 years, for which they claimed from insurance for medical treatment.
 - The majority (83%) of those who had a collision in the last six years for which they claimed from insurance for medical treatment (n=35) were able to access medical treatment for their injuries.
- Three percent of respondents (3%) had a collision in the last six years for which they claimed from insurance for injury compensation.
 - Respondents who had a collision in the last six years for which they claimed from insurance for injury compensation (n=21) were asked to rate their level of experience in making and settling their claim for compensation. Over half of respondents (59%) indicated it was straightforward (ratings of 5 to 7 out of 7).

Usage-Based Insurance

- Over half of the respondents (54%) indicated that they would consider signing up for usage-based insurance.

Distracted Driving

- Respondents were asked to rate their level of agreement that the current penalties for distracted driving in Alberta are sufficient. Nearly two-thirds of respondents (64%) agreed (ratings of 5 to 7 out of 7).
 - The majority (79%) of those who did not agree that the current penalties were sufficient (ratings of 1 to 3 out of 7; n=185) indicated that the current penalties were too light.
- Nearly one-third of respondents (31%) have considered using an app to block distractions such as phone calls or messages while driving a vehicle.

Autonomous Vehicles

- Respondents were asked how likely it was that the roads will be safer if autonomous cars were allowed on Alberta roads. Thirty-nine percent (39%) indicated it was likely.

Driving Under the Influence

- Respondents were asked if they knew someone who has ever driven while under the influence of cannabis. Nearly half of respondents (43%) knew someone who has, while 57% did not.
- Respondents were asked how safe they considered it to be to drive under the influence of cannabis. Ten percent (10%) considered it safe, comparable to 8% in 2017, while over three-quarters (79%) considered it unsafe, consistent with 2017.
- Respondents were asked how supportive they were regarding having penalties for driving under the influence of cannabis match penalties for driving under the influence of alcohol. Then majority of respondents (82%) were supportive of this.
- Respondents were then asked how supportive they were of continuing to use fines as a consequence for driving impaired. Then majority of respondents (88%) were supportive of this.

Household Insurance Profile

- Eighteen percent (18%) of respondents were involved in a motor vehicle accident in the past two years.
- Those who were involved in any motor vehicle accidents in the past two years (n=95) were asked questions regarding their vehicle collisions, non-vehicle collisions, and other non-collision incidents:
 - Six percent (6%) 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;
 - Three percent (3%) 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
 - Seven percent (7%) indicated that someone in their household had been involved in a **collision not involving another vehicle** and did not report a claim.
- Nearly 8 out of 10 respondents (77%) reported that their household had not made any at-fault claims in the past 6 years, while 19% had made one (1) claim.

2.0 PROJECT BACKGROUND

In 2018, the Consumer Representative for the Alberta Automobile Insurance Rate Board contracted Banister Research to conduct a general population telephone survey amongst adult residents of Alberta to assess the public's perception and knowledge of the Province of Alberta's automobile insurance industry; the survey has been conducted annually since 2008.

3.0 METHODOLOGY

All components of the project were designed and executed in close consultation with the Automobile Insurance Rate Board (the Client). A detailed description of each task of the project is outlined in the remainder of this section.

3.1 Project Initiation and Questionnaire Design

At the outset of the project, all background information relevant to the study was identified and subsequently reviewed by Banister Research. The consulting team familiarized itself with the objectives of the Client, ensuring a full understanding of the issues and concerns to be addressed in the project. The result of this task was an agreement on the research methodology, a detailed work plan and project initiation.

The 2018 survey instrument was based on the questionnaire used in previous research years (2008 to 2017), allowing for comparability between survey years. The 2018 questionnaire included a new section concerning distracted driving. The survey included both quantitative and qualitative questions, in order to elicit a more in-depth investigation of the issues and concerns pertinent to the evaluation assignment. A copy of the final questionnaire has been provided in Appendix A.

3.2 Survey Population and Data Collection

Telephone interviews were conducted from February 15th to March 16th, 2018. Banister Research completed a total of 601 telephone interviews with residents of the Province of Alberta who reported managing automobile insurance for their household's private passenger vehicles. 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. Geographic segments were established based on the following parameters:

- City of Edmonton;
- City of Calgary;
- **Other cities within Alberta**, including Brooks, Fort McMurray, Grande Prairie, Red Deer, Medicine Hat, Lacombe, Lethbridge, Lloydminster, St. Albert, Spruce Grove, Leduc, Sherwood Park; and
- **Rural areas**, including Athabasca, Banff, Canmore, Blairemore, Crowsnest Pass, Bonnyville, Brooks, Camrose, Drayton Valley, Rocky Mountain House, Drumheller, Edson, Hinton, Grande Cache, Jasper, Grande Centre, Cold Lake, High Prairie, High River, Lacombe, Okotoks, Olds, Peace River, High Level, St. Paul, Slave Lake, Stettler, Wainwright, Westlock, Wetaskiwin, and Whitecourt.

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. When reviewing the survey findings, it is important to note that the sample error tolerances associated with the size of sample sub-groups vary. The reader should be cautious when interpreting results based on a small sample size.

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.

The following table presents the results of the final call attempts. Using the call summary standard established by the Market Research and Intelligence Association, there was a 7% response rate and an 84% refusal rate (compared to a 8% response rate and 87% refusal rate in 2017). It is important to note that the calculation used for both response and refusal rates is a conservative estimate and does not necessarily measure respondent interest in the subject area.

Summary of Final Call Attempts	
Call Classification:	Number of Calls:
Completed Interviews	601
Busy/No Answer/Answering Machine	6,567
Respondents Unavailable/Appointments Set	162
Refusals	4,089
Fax/Modem/Business/Not-In-Service/Wrong Number	6,012
Language Barrier/Communication Problem	191
Disqualified/Quota Full (Age and/or Gender)	191
Total	17,813

At the outset of the fieldwork, all interviewers and supervisors were given a thorough step-by-step briefing to ensure the successful completion of telephone interviews. To ensure quality, at least 20% of each interviewer's work was monitored by a supervisor on an on-going basis.

The questionnaire was programmed into Banister Research's Computer Assisted Telephone Interviewing (CATI) system. Using this system, data collection and data entry were simultaneous, as data was entered into a computer file while the interview was being conducted. Furthermore, the CATI system allowed interviewers to directly enter verbatim responses to open-ended questions.

3.3 Data Analysis and Project Documentation

While data was being collected, Banister Research provided either a written or verbal progress report to the Client. After the interviews were completed and verified, the lead consultant reviewed the list of different responses to each open-ended or verbatim question and then a code list was established. To ensure consistency of interpretation, the same team of coders was assigned to this project from start to finish. The coding supervisor verified at least 20% of each coder’s work. Once the responses were fully coded and entered onto the data file, computer programs were written to check the data for quality and consistency.

Data analysis included cross-tabulation, whereby the frequency and percentage distribution of the results for each question were broken down based on respondent characteristics and responses (e.g. length of residency, demographics, etc.). Statistical analysis included a Z-test to determine if there were significant differences in responses between respondent subgroups. Results were reported as statistically significant at the 95% confidence level.

To ensure proper provincial representation in the sample, each geographical region was weighted along with gender and age for analysis purposes.² The table below outlines the weighting factors for **geographical region only**.

Telephone Survey Population ³	Percent (%) of Total Population	Number of Interviews Completed	Weighting Factor	Representative Number of Interviews
Edmonton: 648,700	23.01%	150	0.94	141
Calgary: 861,115	30.55%	150	1.24	186
Other Cities: 519,693	18.44%	150	0.7467	112
Rural: 789,452	28.01%	151	1.0795	163

A full breakdown of weighting by age, gender and geographical region has been provided in Appendix B.

Tabulations of the detailed data tables have been provided under separate cover, including weighting factors and tabulations of the weighted results. **The reader should note that any discrepancies between charts, graphs or tables are due to rounding of the numbers.**

Please note: The annual AIRB Public Perception Survey has been previously conducted by Banister Research in 2008, 2009, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. Comparisons up until the 2014 survey data have been included, where applicable. Comparisons to years prior to 2014 have not been included for readability.

² Gender and age weighting was not performed prior to 2017.

³Sources: 2011 census (<http://www12.statcan.ca/>); 2014 population list http://www.municipalaffairs.alberta.ca/documents/LGS/2014_Municipal_Affairs_Population_List.pdf

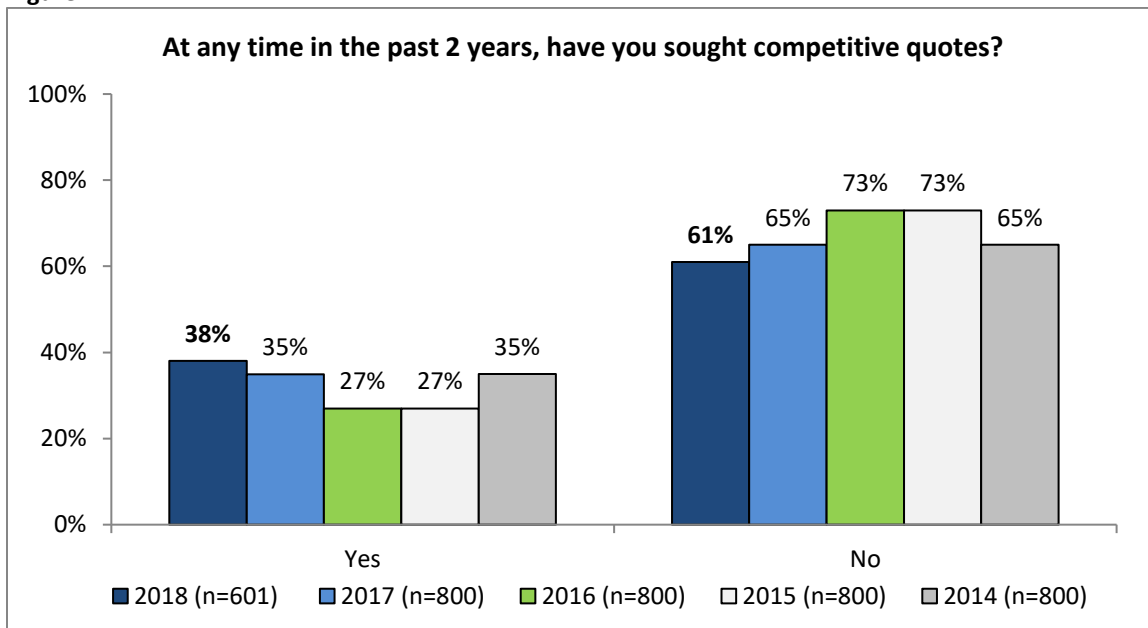
4.0 STUDY FINDINGS

Results of the survey are presented as they relate to the specific topic areas addressed by the survey. It is important to note that the data tables, under a separate cover, provide a detailed analysis of all survey findings. In particular, a comprehensive listing of all open-ended responses has been provided in these tables. The reader should also note, when reading the report that the term significant refers to “statistical significance”. Only those respondent subgroups which reveal statistically significant differences at the 95% confidence level (19 times out of 20) have been reported on. Respondent subgroups that are statistically similar have been omitted from the presentation of findings.

4.1 Purchasing Behaviour

To begin the survey, respondents were asked a series of questions about their purchasing behaviour for automobile insurance in the past 2 years. First, 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. As shown in Figure 1, below, over one-third of the respondents (38%) reported obtaining quotes, comparable to 2017 (35%). Sixty-one percent (61%) did not obtain any quotes prior to purchasing their insurance.

Figure 1



Respondent subgroups significantly more likely to **have obtained competitive quotes** before making a decision included:

- Those aged 18 to 54 (37% to 51%), versus those aged 55 and older (27%); and
- Those who live in Calgary (46%) versus those who live in rural areas in Alberta (31%).

Those who reported having sought competitive quotes before purchasing their insurance (n=206) were asked how many quotes they obtained; the mean number of quotes obtained in 2018 was 2.71 quotes, comparable to 2.75, as reported in 2017. See Figure 2 and Table 1, below.

Figure 2

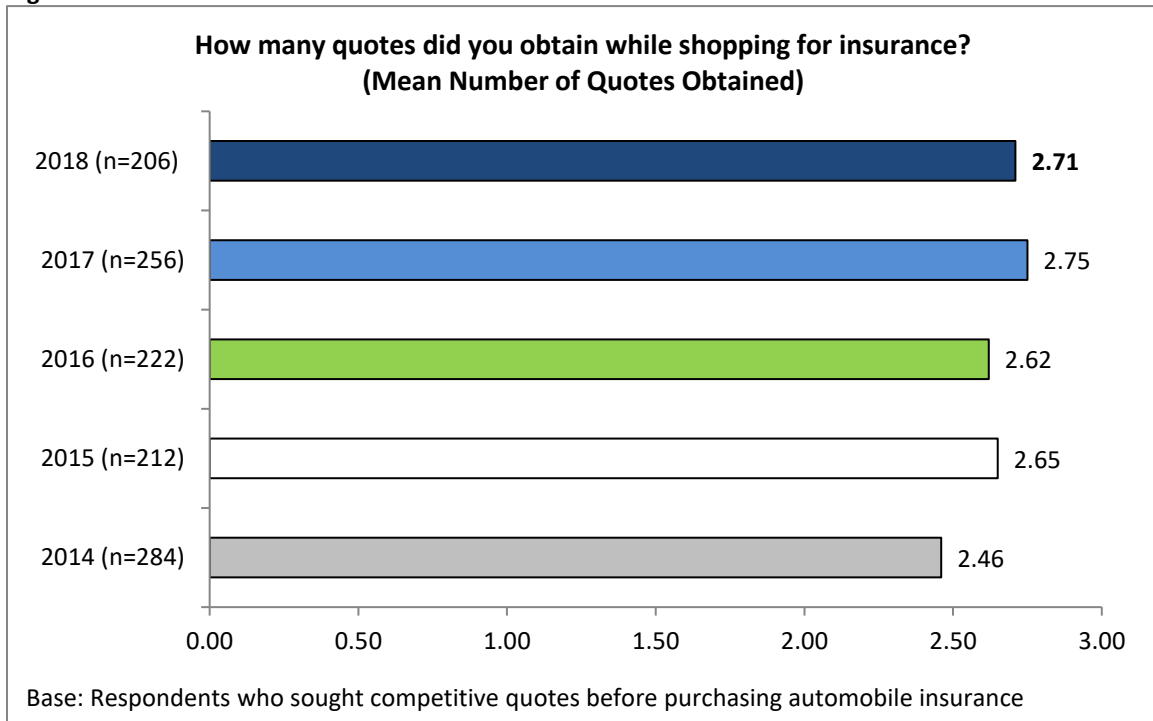


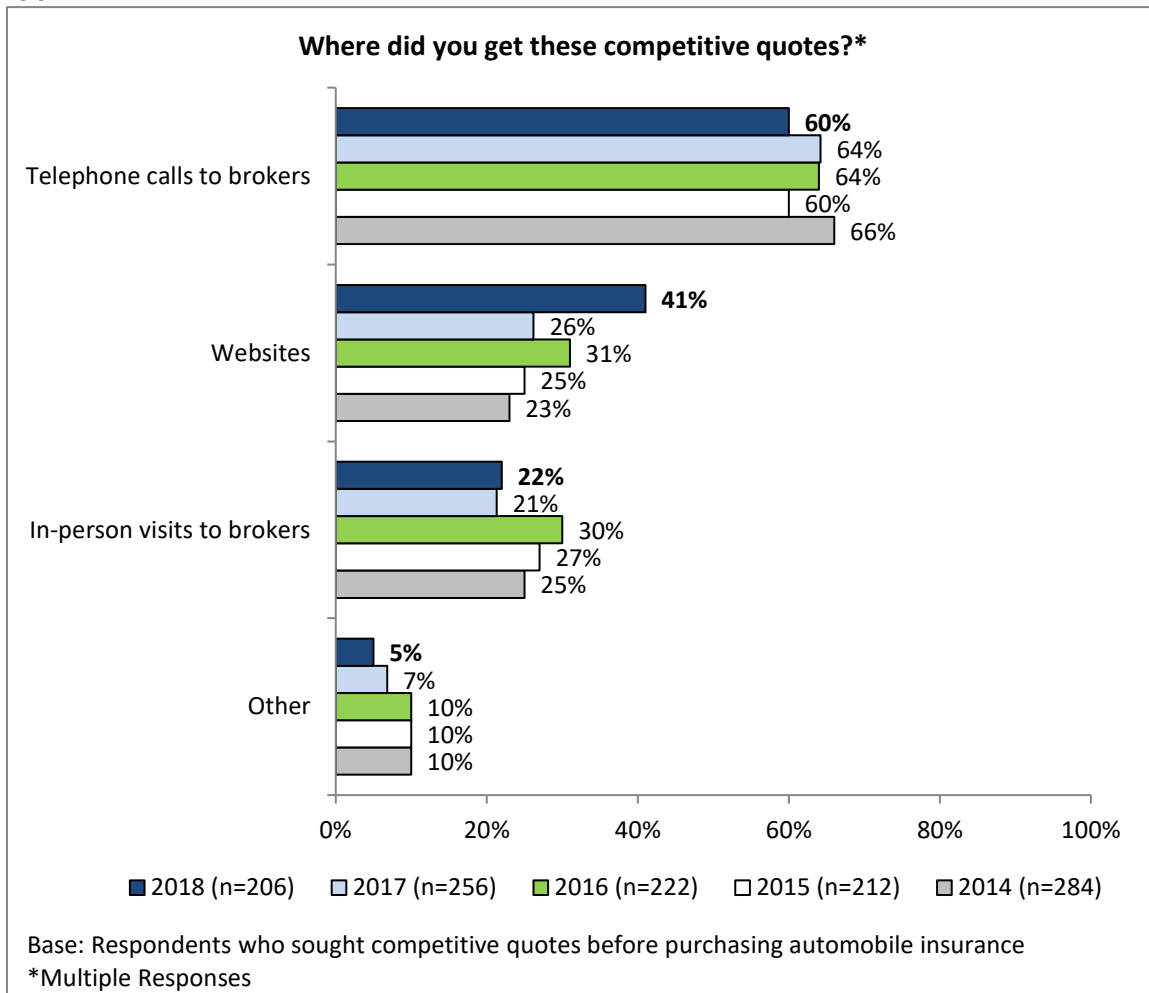
Table 1

How many quotes did you obtain while shopping for insurance?					
Base: Respondents who sought competitive quotes before purchasing automobile insurance	Percent of Respondents				
	2018 (n=206)	2017 (n=256)	2016 (n=222)	2015 (n=212)	2014 (n=284)
One (1) quote	15	10	10	9	18
Two (2) quotes	31	35	39	41	38
Three (3) quotes	39	40	36	37	30
Four (4) quotes	8	8	8	6	8
Five (5) or more quotes	7	5	5	5	5
Mean	2.71 quotes	2.75 quotes	2.62 quotes	2.65 quotes	2.46 quotes

Those who obtained quotes before purchasing insurance for their vehicles (n=206) were also asked how or where they obtained these quotes. The majority of respondents (60%) made telephone calls to brokers, comparable to 64% in 2017. Forty-one percent (41%) referred to websites (a significant increase from 26% in 2017), while 5% used “other” sources. Nearly one-quarter (22%) made in-person visits to brokers, similar to 21% in 2017.

See Figure 3, below.

Figure 3



‘Other’ responses included:

- A personal referral (2%);
- Other insurance brokers (2%);
- Email (1%)
- Mail (<1%); and
- Bank (<1%).

Respondent subgroups significantly more likely to have **referred to websites** for a quote included:

- Females (47%) versus males (33%);
- Those aged 18 to 34 (62%) versus those aged 35 and older (21% to 27%); and
- Those who live in Edmonton (53%) versus those who live in rural areas in Alberta (29%).

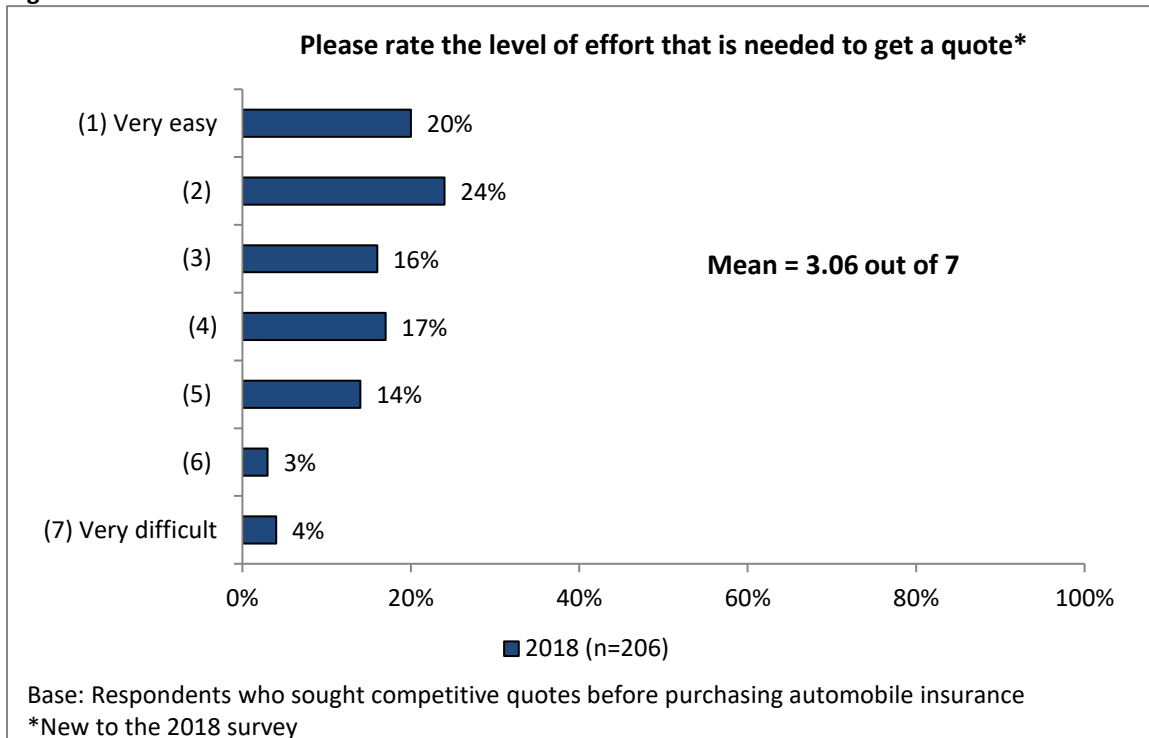
Those aged 35 to 54 were significantly more likely to have **made telephone calls to brokers** for a quote (70%) versus those aged 18 to 34 (53%).

Respondent subgroups significantly more likely to **have made in-person visits to brokers** for a quote included:

- Those aged 55 and older (33%) versus those aged 18 to 34 (15%); and
- Those who live in rural areas in Alberta (36%) versus those who live in Calgary (20%) or Edmonton (17%).

New to the 2018 survey, those who sought competitive quotes before purchasing automobile insurance (n=206) were asked to rate the level of effort that is needed to get a quote using a 1 to 7 scale where 1 meant 'very easy' and 7 meant 'very difficult'. Sixty percent (60%) of respondents rated the level of effort as easy (ratings of 1 to 3 out of 7). See Figure 4, below.

Figure 4



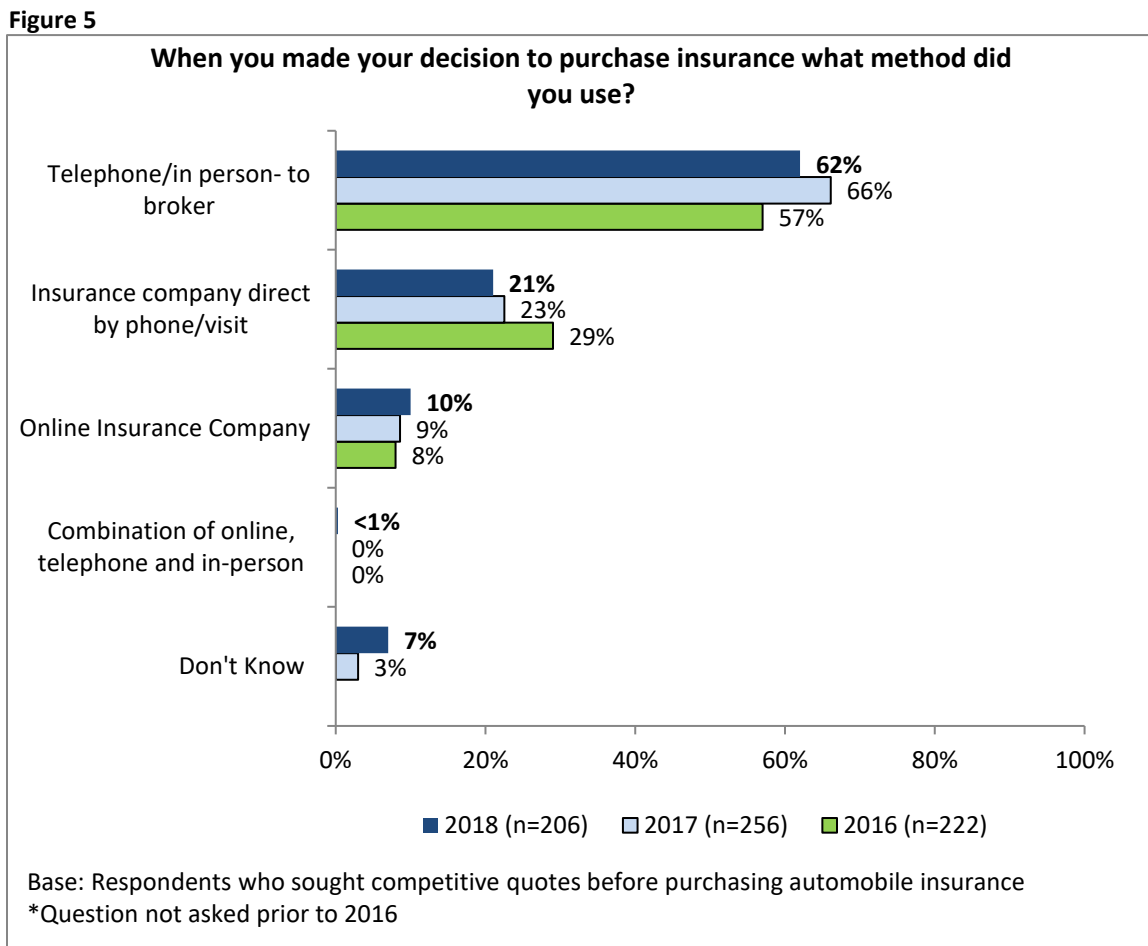
Those who sought competitive quotes before purchasing automobile insurance (n=206) were asked what was the most difficult part in obtaining quotes. Over one-fifth of respondents (22%) indicated understanding the coverages was the most difficult part, followed by 17% who indicated there were too many questions. See Table 2, below.

Table 2

What was the most difficult part in obtaining quotes?	
Base: Respondents who sought competitive quotes before purchasing automobile insurance	Percent of Respondents* (n=206)
Understanding the coverages	22
Too many questions	17
Unable to get a final quote online unless talking to a broker/agent	15
Slow/poor response time/took too long to receive a call back (in general)	10
Difficulty contacting/speaking with a broker/agent	4
Finding a suitable/available broker/brokerage firm	3
Was given incorrect information/quotes	3
Time constraints/process is too time consuming (in general)	3
Cost of coverage/quote/rates (in general)	2
Other (1% of responses or less)	4
Don't Know/Not Stated	5

***Multiple Responses**

Those who sought competitive quotes before purchasing automobile insurance (n=206) were asked, when they made their decision to purchase insurance, what method they used. Nearly two-thirds of respondents (62%) used a broker, via telephone or in person, comparable to 66% in 2017. Twenty-one percent (21%) used an insurance company direct by phone or visit, and 10% used an online insurance company. See Figure 5, below.



Respondent subgroups significantly more likely to purchase insurance from an online insurance company included:

- Those aged 18 to 34 (16%) versus those aged 35 to 54 (4%); and
- Those who live in Calgary (16%) versus those who live in rural areas in Alberta (4%).

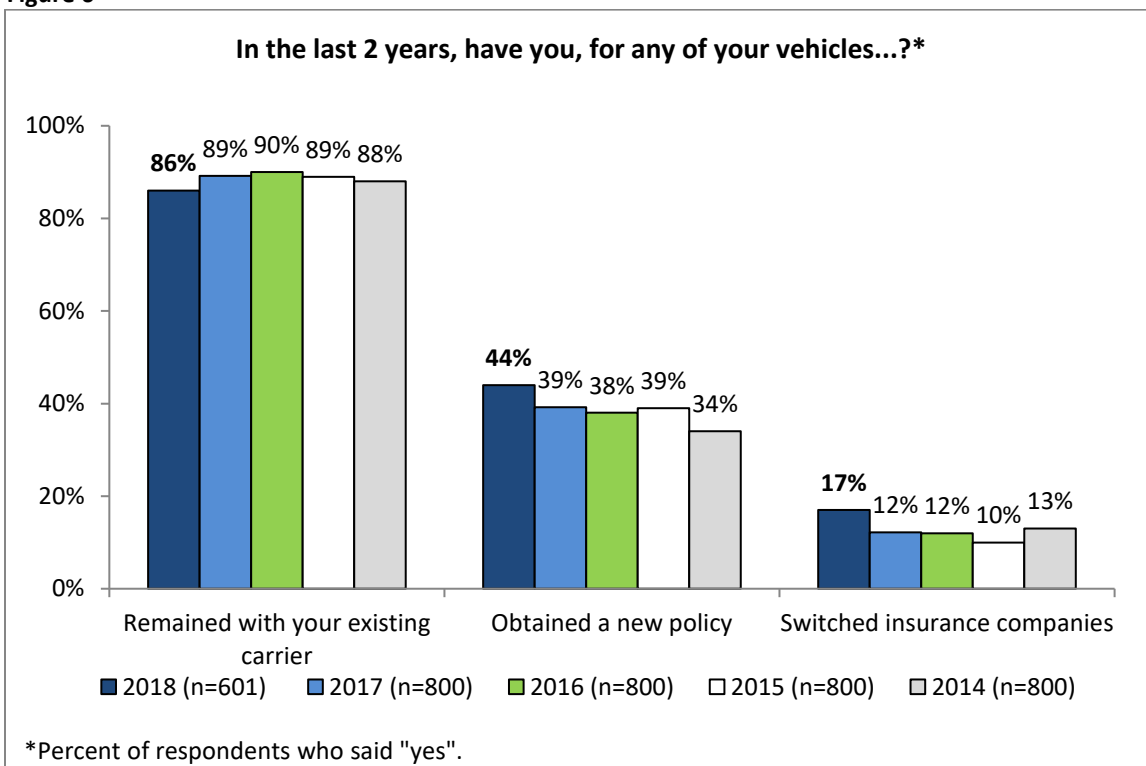
Those who live in rural areas in Alberta (71%) were significantly more likely to purchase insurance from a broker versus those who live in other cities of Alberta (50%).

Next, respondents were asked about whether they had remained with their existing carrier, switched companies, or obtained a new policy in the last 2 years. As shown in Figure 5, below:

- Eighty-six percent (86%) of all respondents **remained with their existing carrier** (comparable to 89% in 2017);
- Forty-four percent (44%) of all respondents **obtained a new policy** (comparable to 39% in 2017); and
- Seventeen percent (17%) of all respondents **switched insurance companies** (a significant increase from 12% in 2017).

The reader should note that these findings are independent of one another (i.e., respondents were permitted to have indicated they remained with their existing carrier, obtained a new policy, *and* switched insurance companies, if applicable).

Figure 6



*Those aged 18 to 34 (21%) were significantly more likely to have **switched insurance companies in the last 2 years** versus those aged 55 and older (12%).*

*Those aged 18 to 54 (45% to 54%) were significantly more likely to have **obtained a new policy for a vehicle they purchased or acquired in the last 2 year** versus those aged 55 and older (33%).*

Respondents who switched insurance companies in the past 2 years (n=98) were asked for what reasons they decided to switch companies. Over three-quarters of the respondents (79%) indicated that they switched due to lower premiums and/or lower deductibles, while 11% reported switching companies due to their desired coverage not being available, and 9% switched due to poor claims services. See Table 3, below.

Table 3

For what reason(s) did you make a decision to switch automobile insurance companies?	
Base: Respondents who switched insurance companies in the last 2 years	Percent of Respondents* (n=98)
Able to find a lower premium	79
Desired coverage not available	11
Poor claims service	9
I moved/relocated	7
I purchased a new vehicle	1
Don't know/not stated	1

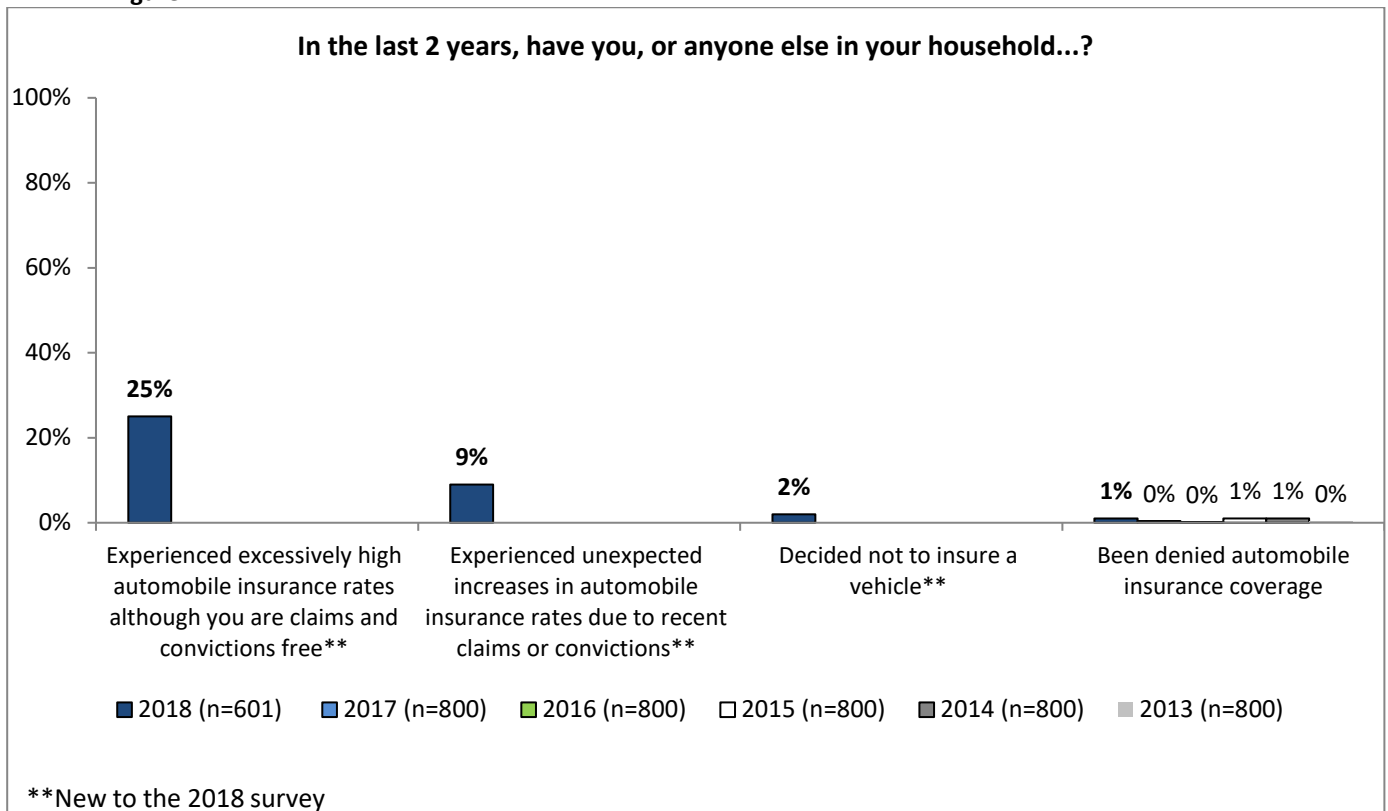
***Multiple responses**

4.2 Perceptions of Automobile Insurance

In the next section of the survey, respondents were asked a series of questions concerning their perceptions on automobile insurance in Alberta. As shown in Figure 6, below:

- Twenty-five percent (25%) reported having **experienced excessively high insurance rates although they are claims and convictions free**;
- Nine percent (9%) experience **unexpected increases in automobile insurance rates due to recent claims or convictions**;
- Two percent (2%) **decided not to insure a vehicle**; and
- One percent (1%) **reported having been denied automobile insurance coverage** in the past 2 years.

Figure 7



Those who live in Calgary (31%) were significantly *more likely* to have **experienced unexpected increases in automobile insurance rates although they are claims and convictions free in the last 2 years** versus those who live in rural areas in Alberta (21%).

Those aged 18 to 34 (14%) were significantly *more likely* to have **experienced unexpected increases in automobile insurance rates due to recent claims or convictions in the last 2 years** versus those aged 35 and older (5% to 7%).

Next, respondents were asked to indicate how strongly they agreed, given their personal circumstances, that their insurance premiums are fair and reasonable. Using a scale of 1 to 7, where 1 meant “do not agree at all” and 7 meant “completely agree,” 57% of the respondents agreed (ratings of 5 to 7 out of 7), overall, that their premiums are “fair and reasonable,” while 14% were in moderate agreement (ratings of 4 out of 7), and 28% disagreed (ratings of 1 to 3 out of 7), overall. Results were comparable, overall, with those from 2016. See Figure 8, below, and Table 4, on the following page.

Figure 8

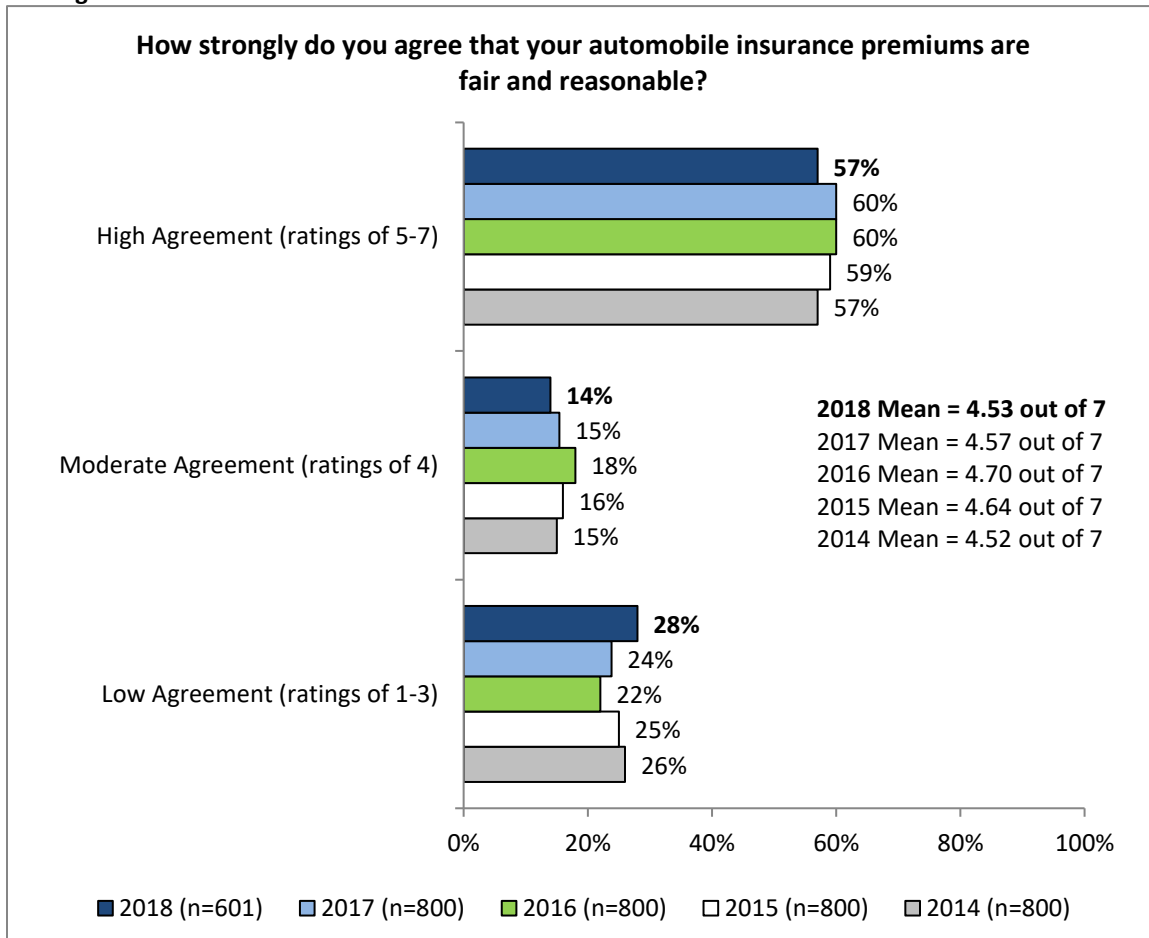


Table 4

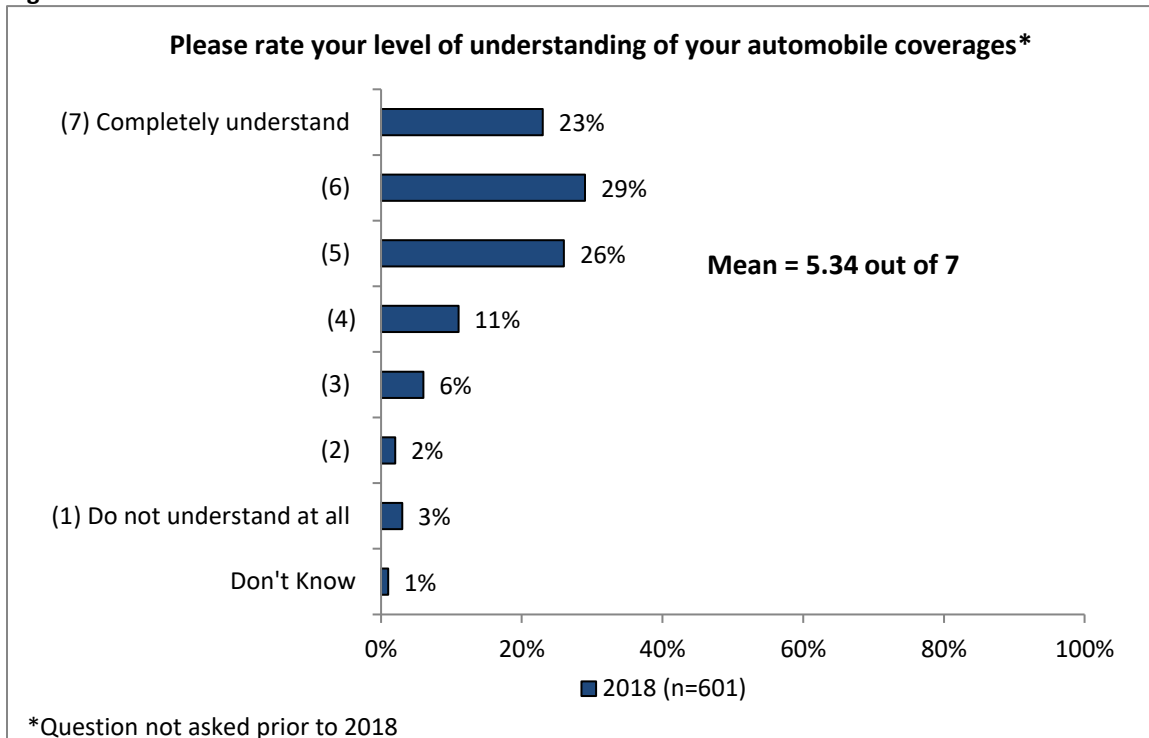
Using a scale of 1 to 7, how strongly do you agree that, given your personal circumstances, your automobile insurance premiums are fair and reasonable?					
	Percent of Respondents				
	2018 (n=601)	2017 (n=800)	2016 (n=800)	2015 (n=800)	2014 (n=800)
(7) Completely agree	14	11	16	14	14
(6)	20	21	16	19	15
(5)	24	28	28	27	28
(4)	14	15	18	16	15
(3)	12	11	11	13	12
(2)	7	4	5	7	5
(1) Do not agree at all	9	10	6	5	9
Don't Know/Not Stated	1	1	2	1	2
Mean	4.53 out of 7	4.57 out of 7	4.70 out of 7	4.64 out of 7	4.52 out of 7

Respondent subgroups significantly *more likely* to have **agreed that their insurance premiums are fair and reasonable (ratings of 5 to 7 out of 7)** included:

- Females (63%) versus males (52%); and
- Those aged 18 to 34 (68%) versus those aged 35 and older (51% to 54%).

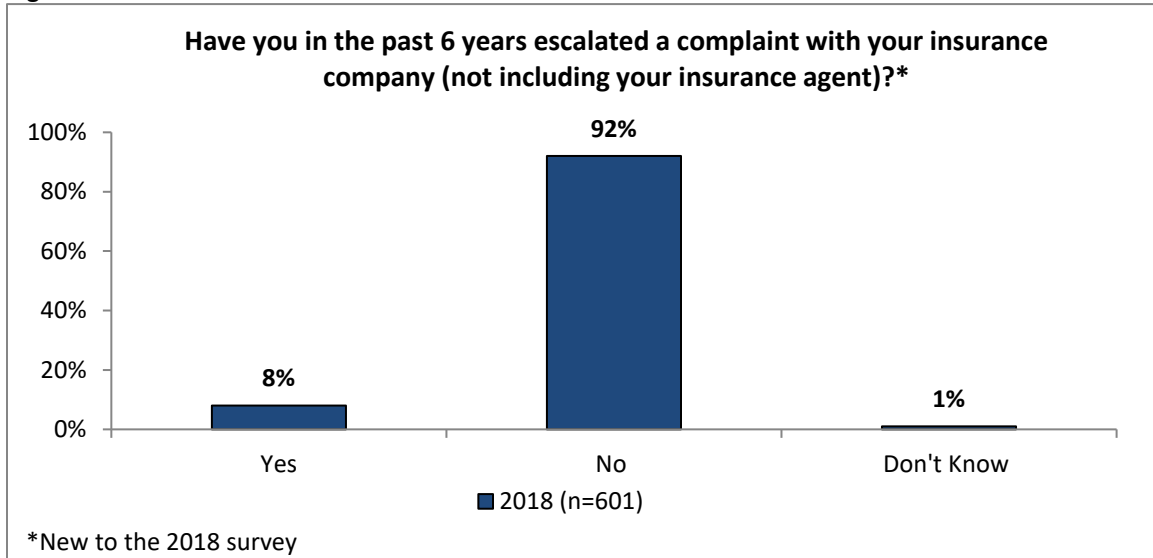
Next, using a 1 to 7 scale where 1 meant 'do not understand at all' and 7 meant 'completely understand', respondents were asked to rate their level of understanding of their automobile coverages. The majority of respondents (77%) understood their automobile coverages (ratings of 5 to 7 out of 7). See Figure 9, below.

Figure 9



Eight percent (8%) of respondents have escalated a complaint with their insurance company in the past 6 years. See Figure 10, below.

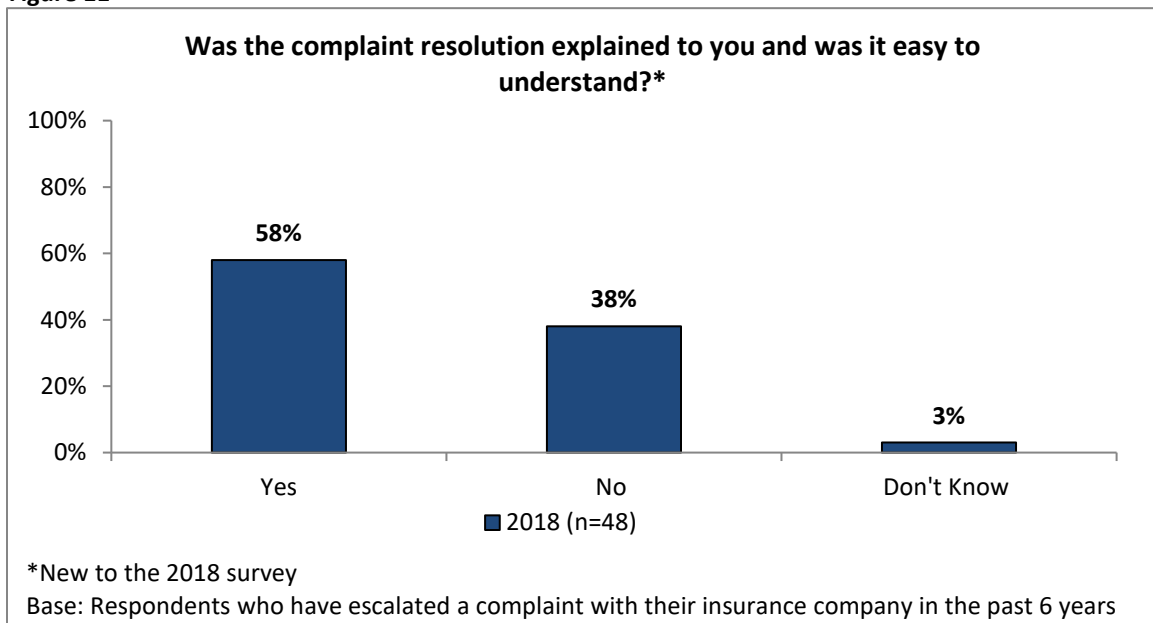
Figure 10



Those who live in Edmonton (12%) were significantly more likely to have **escalated a complaint with their insurance company in the past 6 years** versus those who live in rural areas in Alberta (5%).

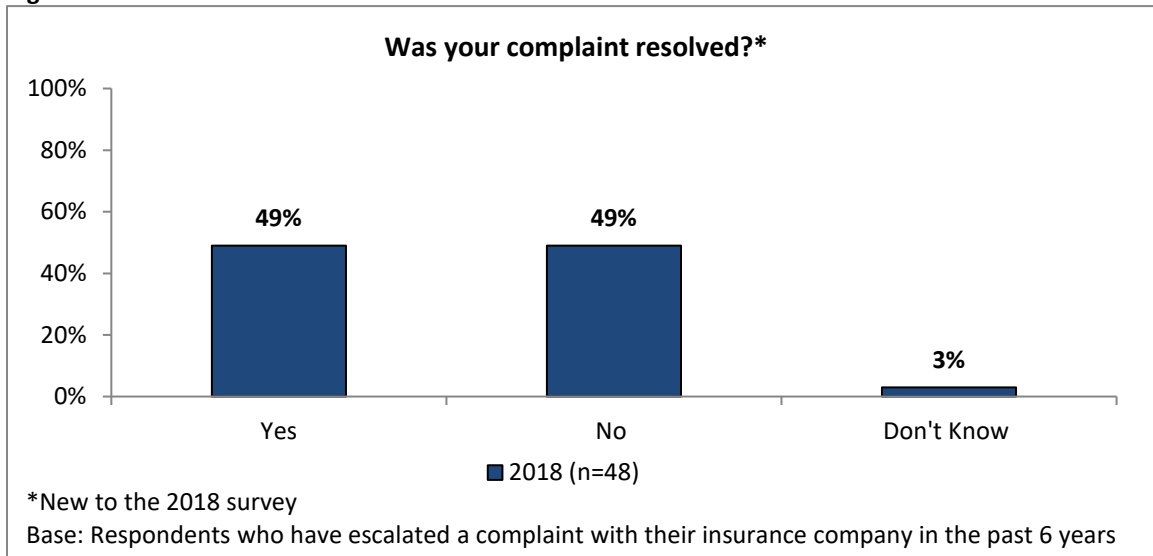
Over half (58%) of those who had escalated a complaint with their insurance company in the past 6 years (n=48) indicated that the complaint resolution was explained to them and it was easy to understand. See Figure 11, below.

Figure 11



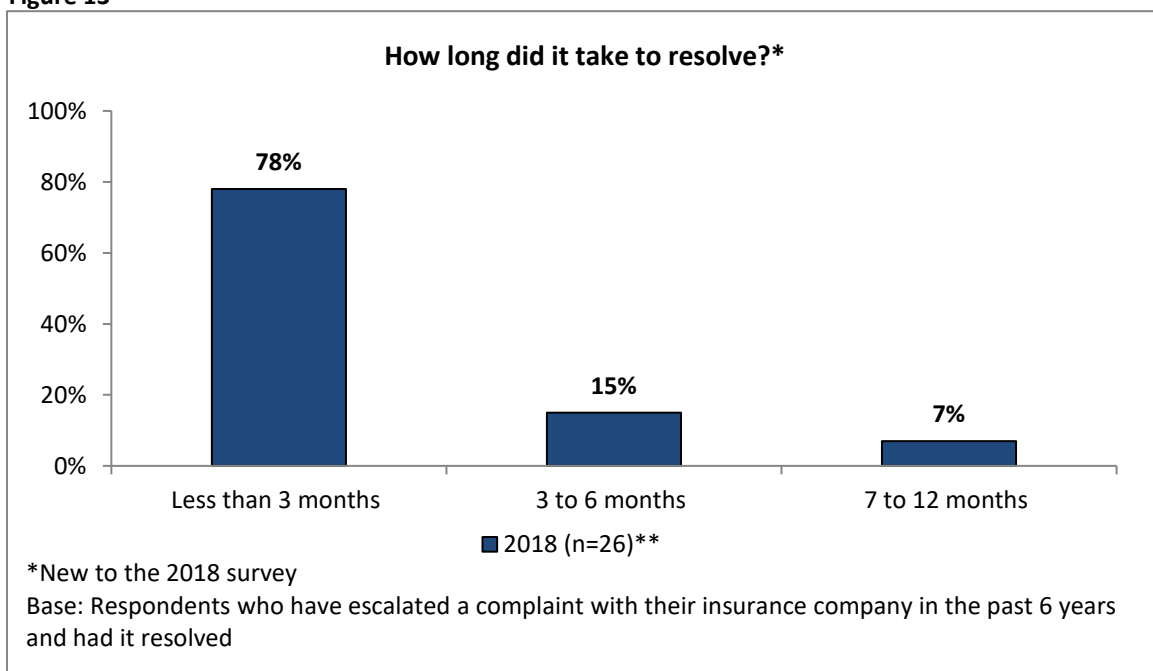
Forty-nine percent (49%) of respondents who had escalated a complaint with their insurance company in the past 6 years (n=48) indicated that their complaint was resolved, while 49% of respondents indicated that it was not. See Figure 12, below.

Figure 12



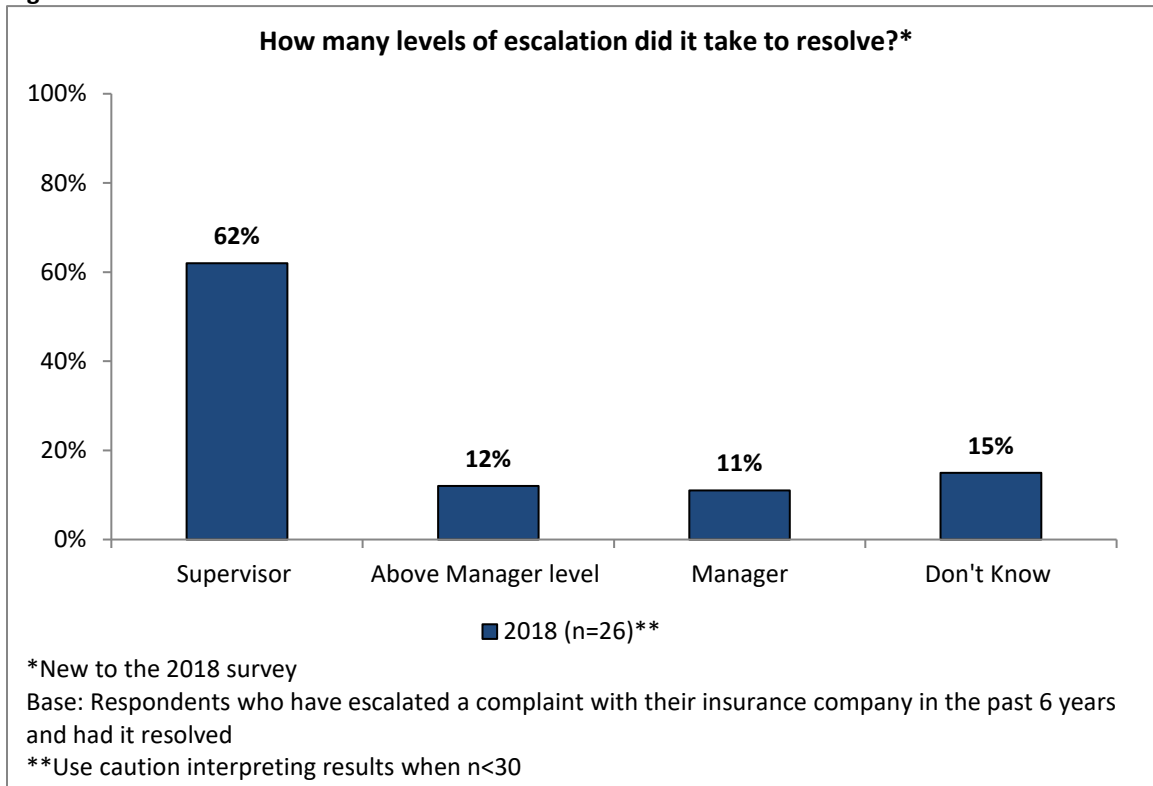
Over three-quarters (78%) of respondents who had escalated a complaint with their insurance company in the past 6 years and had the complaint resolved (n=26) reported that it took less than three months to resolve. See Figure 13, below.

Figure 13



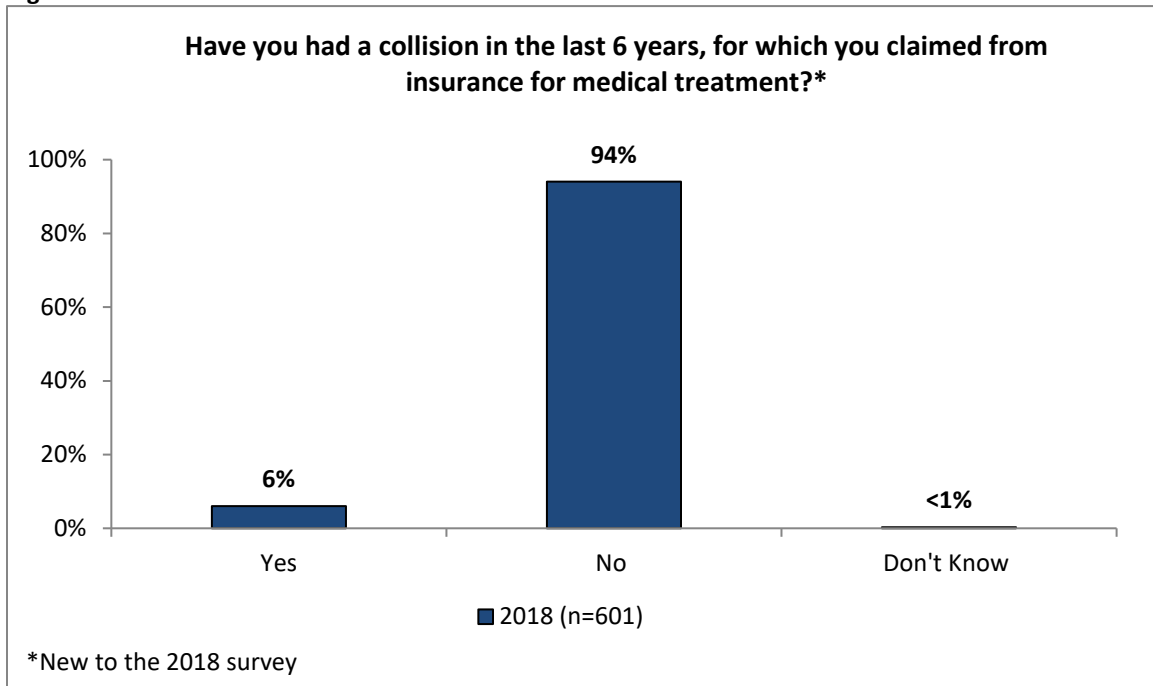
When asked how many levels of escalation did it take to resolve, 62% of those who had escalated a complaint with their insurance company in the past 6 years and had the complaint resolved (n=26) indicated that their complaint was resolved at the supervisor level. See Figure 14, below.

Figure 14



Six percent (6%) of respondents had a collision in the last 6 years, for which they claimed from insurance for medical treatment. See Figure 15, below.

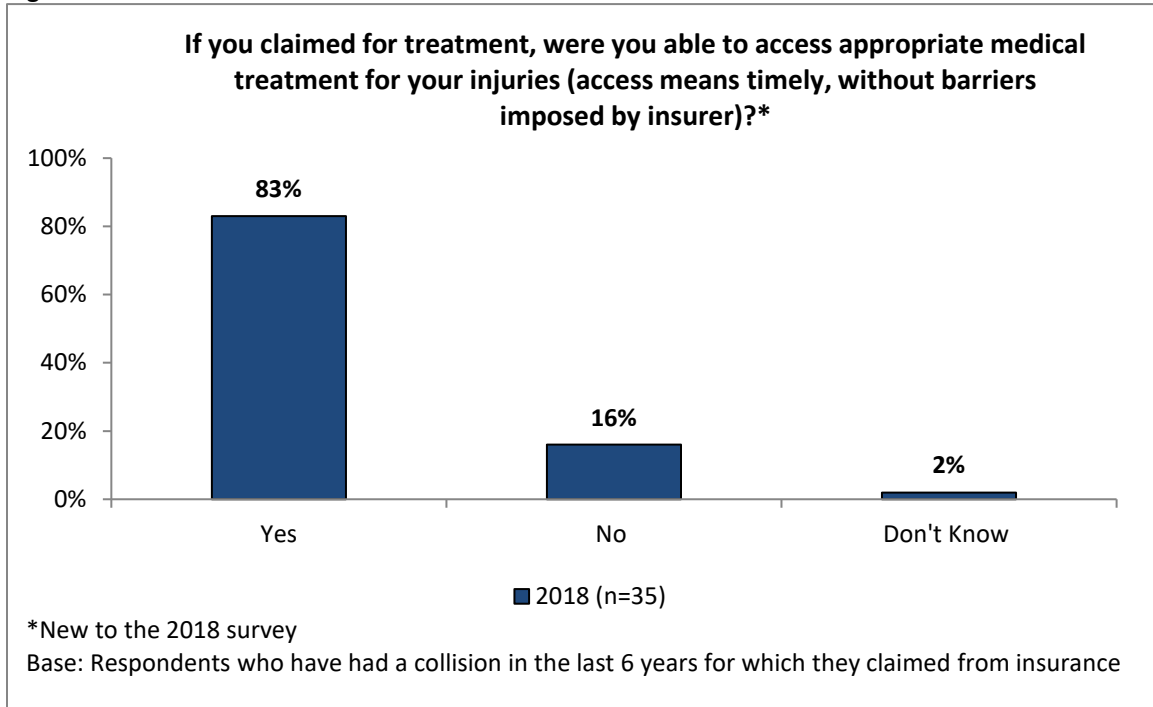
Figure 15



Those who live in Edmonton (8%) or Calgary (9%) were significantly more likely to have **had a collision in the last 6 years for which they claimed from insurance for medical treatment** versus those who live in rural areas in Alberta (3%).

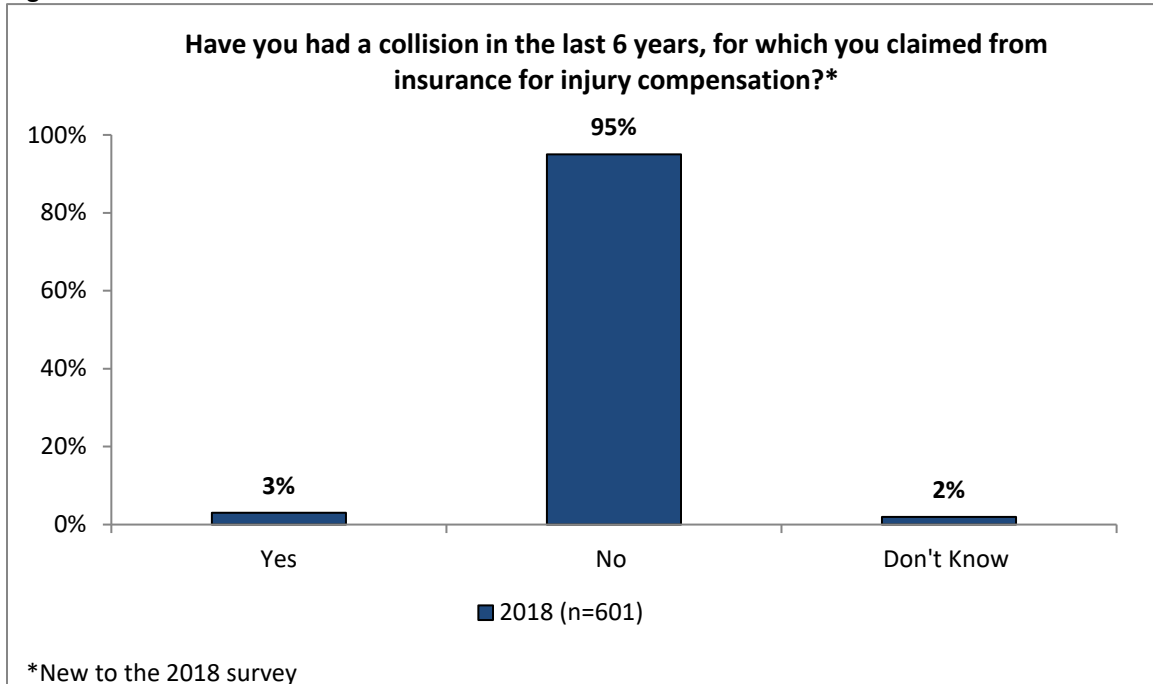
The majority (83%) of those who had a collision in the last six years for which they claimed from insurance for medical treatment (n=35) were able to access medical treatment for their injuries. See Figure 16, below.

Figure 16



Three percent of respondents (3%) had a collision in the last six years for which they claimed from insurance for injury compensation. See Figure 17, below.

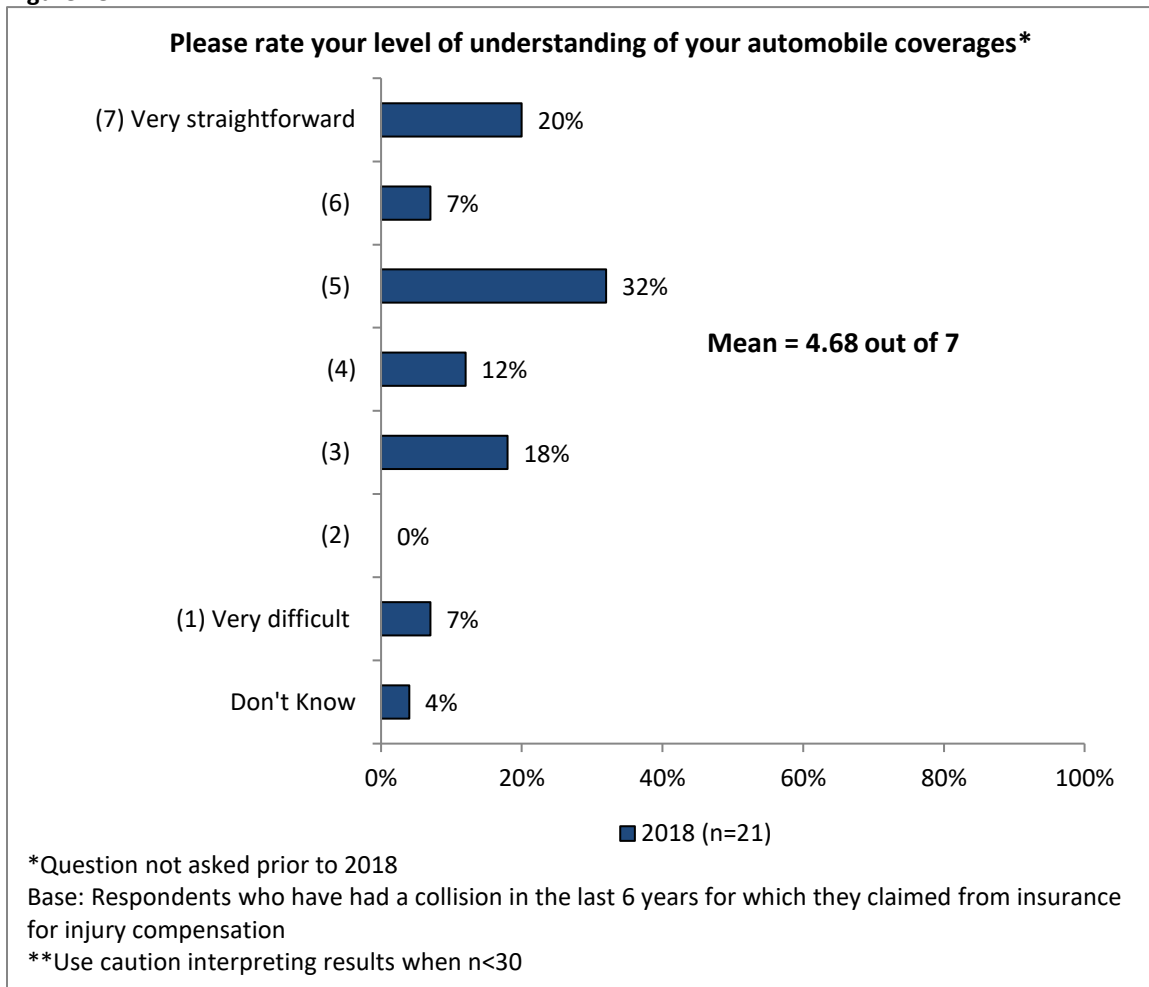
Figure 17



Those who live in Edmonton (7%) were significantly *more likely* to have **had a collision in the last 6 years for which they claimed from insurance for injury compensation** versus those who live in all other areas in Alberta (2%).

Next, using a 1 to 7 scale where 1 meant 'very difficult' and 7 meant 'very straightforward', respondents who had a collision in the last six years for which they claimed from insurance for injury compensation (n=21) were asked to rate their level of experience in making and settling their claim for compensation. Over half of respondents (59%) indicated it was straightforward (ratings of 5 to 7 out of 7). See Figure 18, below.

Figure 18



4.3 Usage-Based Insurance

Respondents were provided with the following information:

“Some provinces have approved (Ontario, Quebec, Alberta and Nova Scotia) “usage-based insurance” discounts to drivers. These discounts are calculated based on vehicle data such as speeding, hard braking, and mileage, collected by an on-board telematics device (sensor). If the vehicle’s data shows safe driving habits, a discount will be applied to the current insurance premium. It is important to note that unsafe driving practices do not result in increased premiums if User Based Insurance is added to your policy. Five companies within the Province of Alberta currently offer usage-based insurance.”

Respondents were then asked to indicate if they would consider signing up for usage-based insurance. As shown in Figure 19, below, over half of the respondents (54%) indicated that they would, comparable to 57% in 2017, while 28% indicated that they would not consider signing up for usage-based insurance. See Table 5, on the following page, for the full breakdown of results.

Figure 19

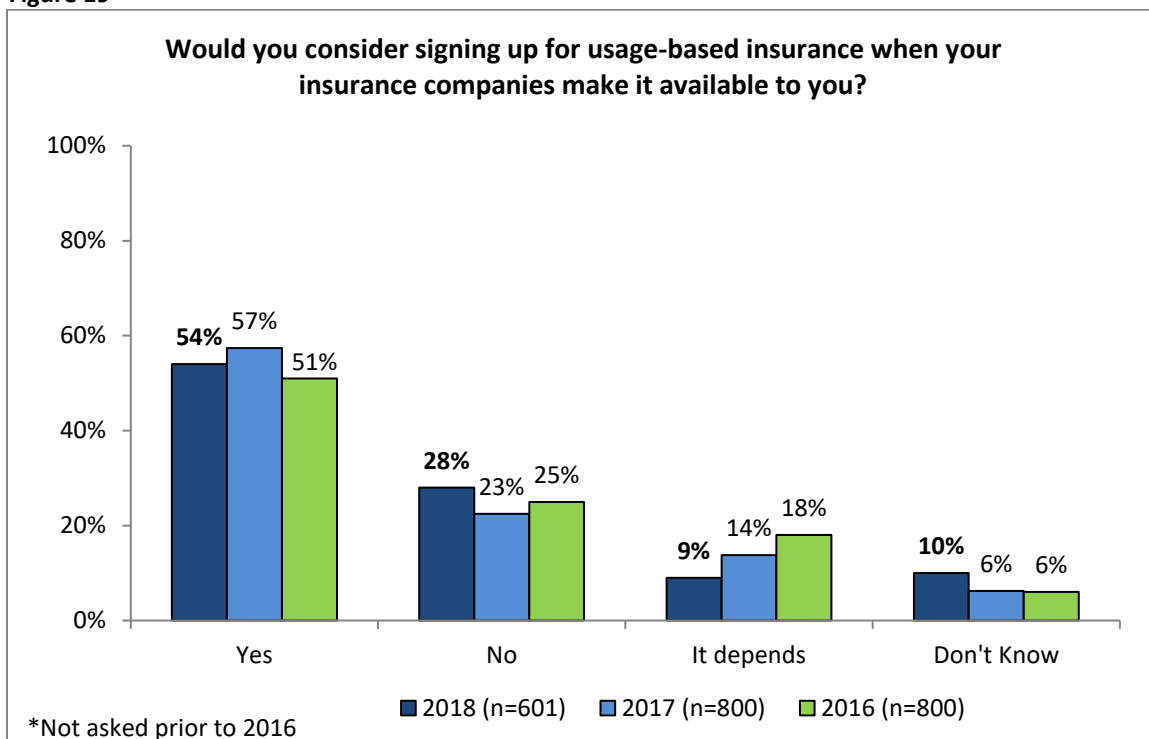


Table 5

Would you consider signing up for usage-based insurance?	
	Percent of Respondents (n=601)
Yes	54
No	28
It depends	9
Depends on the discount/cost	4
Need more information/details	3
Depends on the insurance coverage	1
Depends if my privacy/rights would be violated	1
Depends on what my spouse/partner says (in general)	<1
Depends if device would be installed in my vehicle	<1
Don't Know/Not Stated	10

Those who live in Calgary (56%) or other cities in Alberta (65%) were significantly more likely to **consider signing up for usage-based insurance** versus those who live in rural areas in Alberta (45%).

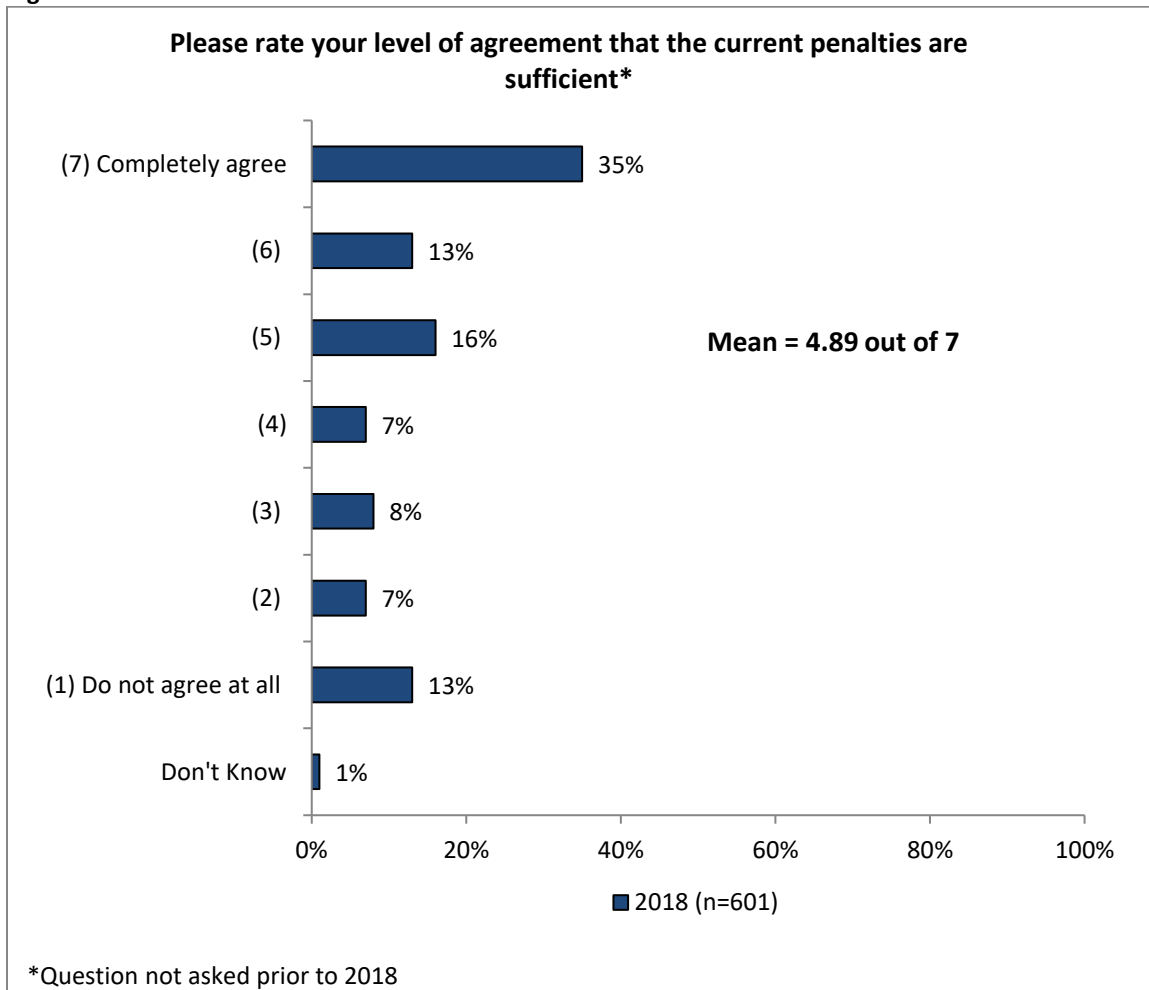
4.4 Distracted Driving

Respondents were then provided the following information about distracted driving:

“Effective January 1, 2016 the penalty for distracted driving in Alberta is a \$287 fine and three demerit points.”

Respondents were asked to rate their level of agreement that the current penalties for distracted driving in Alberta are sufficient using a 1 to 7 scale where 1 meant ‘do not agree at all’ and 7 meant ‘completely agree’. Nearly two-thirds of respondents (64%) agreed (ratings of 5 to 7 out of 7). See Figure 20, below.

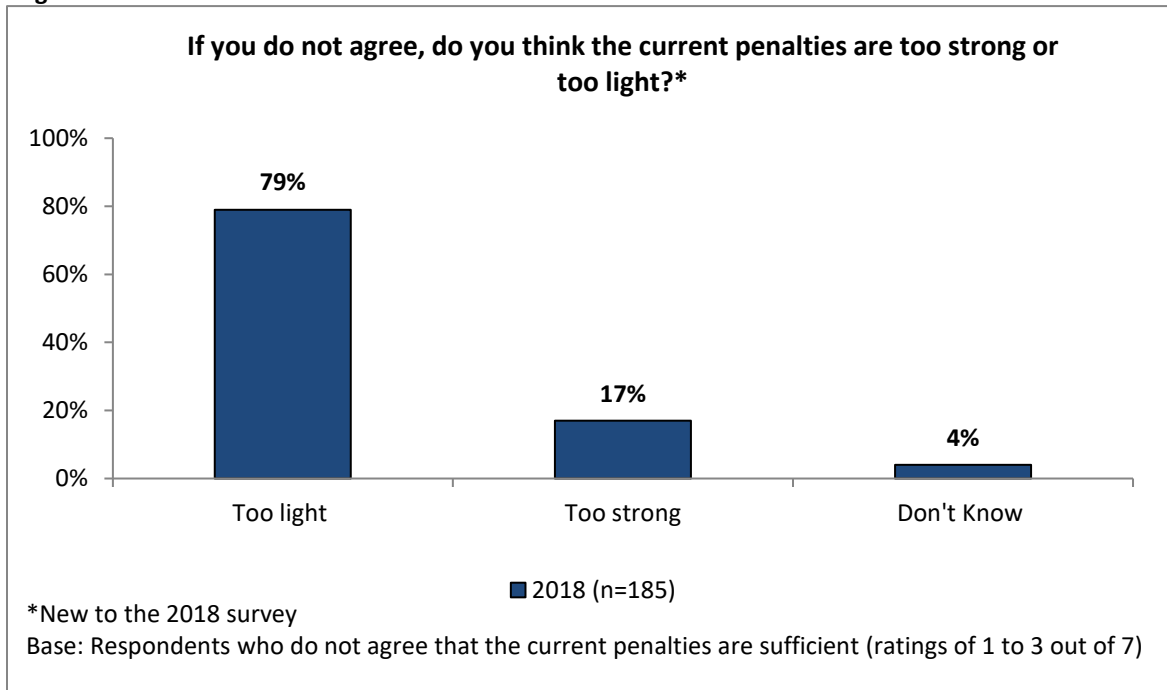
Figure 20



Those aged 18 to 34 (72%) were significantly more likely to agree (ratings of 5 to 7 out of 7) that the **current penalties are sufficient** versus those aged 35 and older (60% to 62%).

Those who did not agree that the current penalties were sufficient (ratings of 1 to 3 out of 7; n=185) were asked if they thought the current penalties are too strong or too light. The majority of respondents indicated that the current penalties were too light (79%). See Figure 21, below.

Figure 21

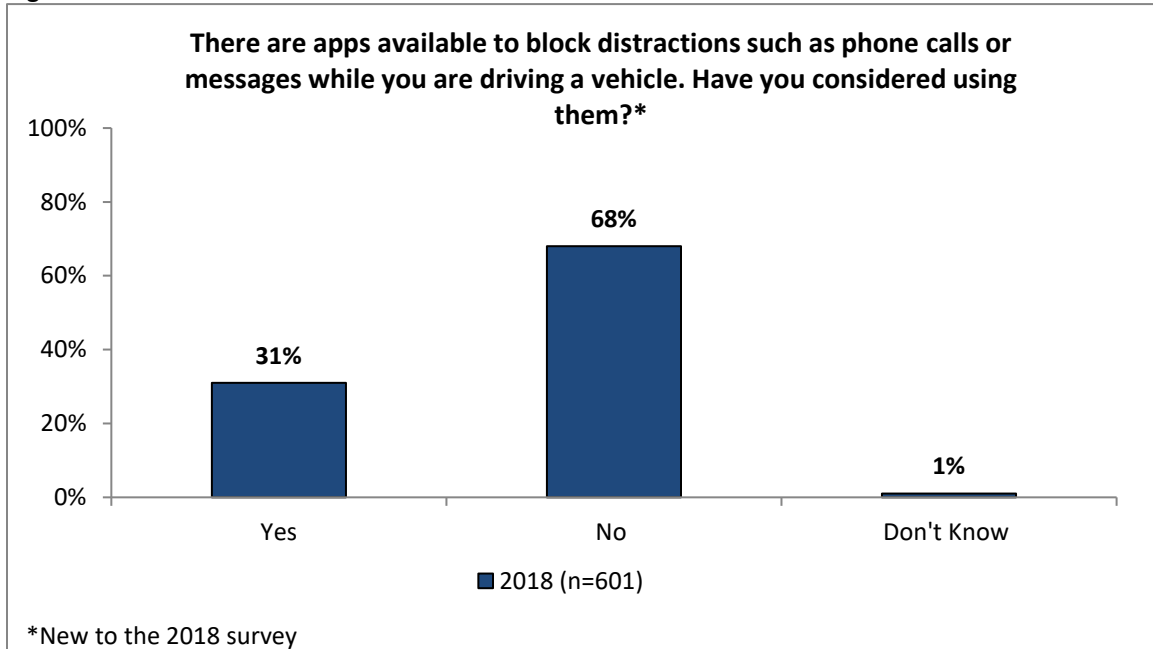


Those who live in other cities in Alberta (90%) were significantly more likely to believe that current penalties are **too light** versus those who live in rural areas in Alberta (68%).

Those aged 18 to 34 (32%) were significantly more likely to believe that current penalties are **too strong** versus those aged 35 and older (12% to 15%).

Nearly one-third of respondents (31%) have considered using an app to block distractions such as phone calls or messages while driving a vehicle. See Figure 22, below.

Figure 22



Respondent subgroups significantly more likely to have **considered using an app to block driving distractions** included:

- Those aged 18 to 54 (34% to 39%) versus those aged 55 and older (20%); and
- Those who live in Calgary (36%) versus those who live in rural areas of Alberta (25%).

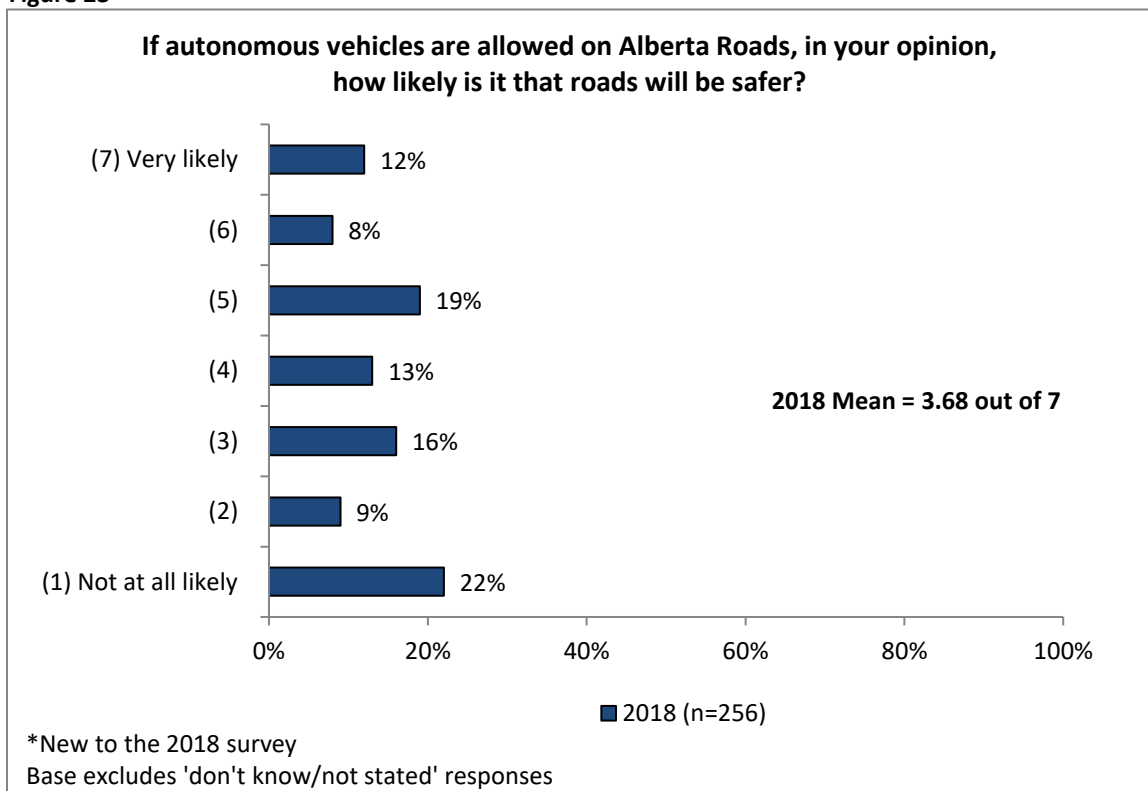
4.5 Autonomous Vehicles

In the next section of the survey, respondents were asked a question concerning autonomous vehicles in Alberta. Respondents were provided with the following information:

“Autonomous vehicles are highly automated cars that are capable of sensing the environment and navigating without human input. Autonomous cars can detect surroundings using a variety of techniques, such as radar, GPS, and computer vision.”

Using a scale of 1 to 7, respondents were then asked how likely it was that the roads will be safer if autonomous cars were allowed on Alberta roads. Thirty-nine percent (39%) indicated it was likely (ratings of 5 to 7 out of 7), overall, while 48% indicated it was not likely (ratings of 1 to 3 out of 7), overall. See Figure 23, below.

Figure 23



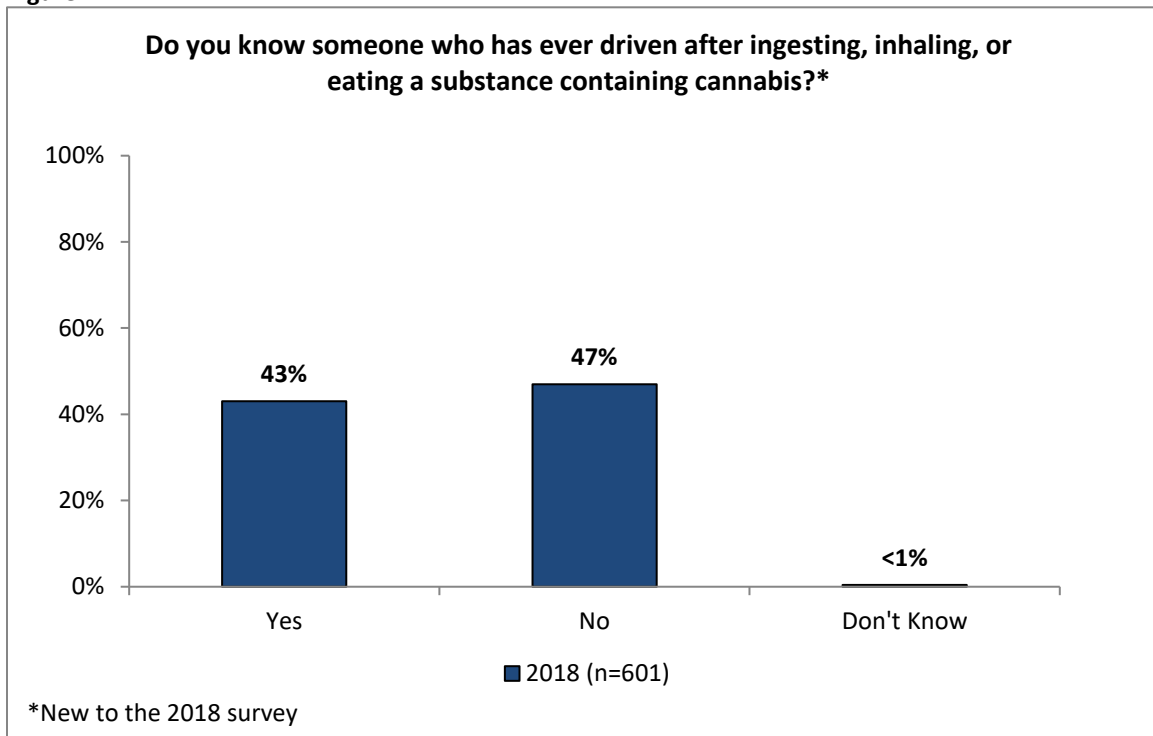
4.6 Driving Under the Influence

For this section of the survey, respondents were asked about driving while under the influence of cannabis. Respondents were provided with the following information:

“As you may know, the federal government is legalizing cannabis. The Government of Canada is committed to ensuring that those who drive while impaired by drugs, including cannabis, will be subject to stronger laws and is examining ways to improve the ability to detect and prosecute drug impaired driving, similar to alcohol-impaired driving.”

First, respondents were asked if they knew someone who has ever driven while under the influence of cannabis. Nearly half of respondents (43%) knew someone who has, while 57% did not. See Figure 24, below.

Figure 24

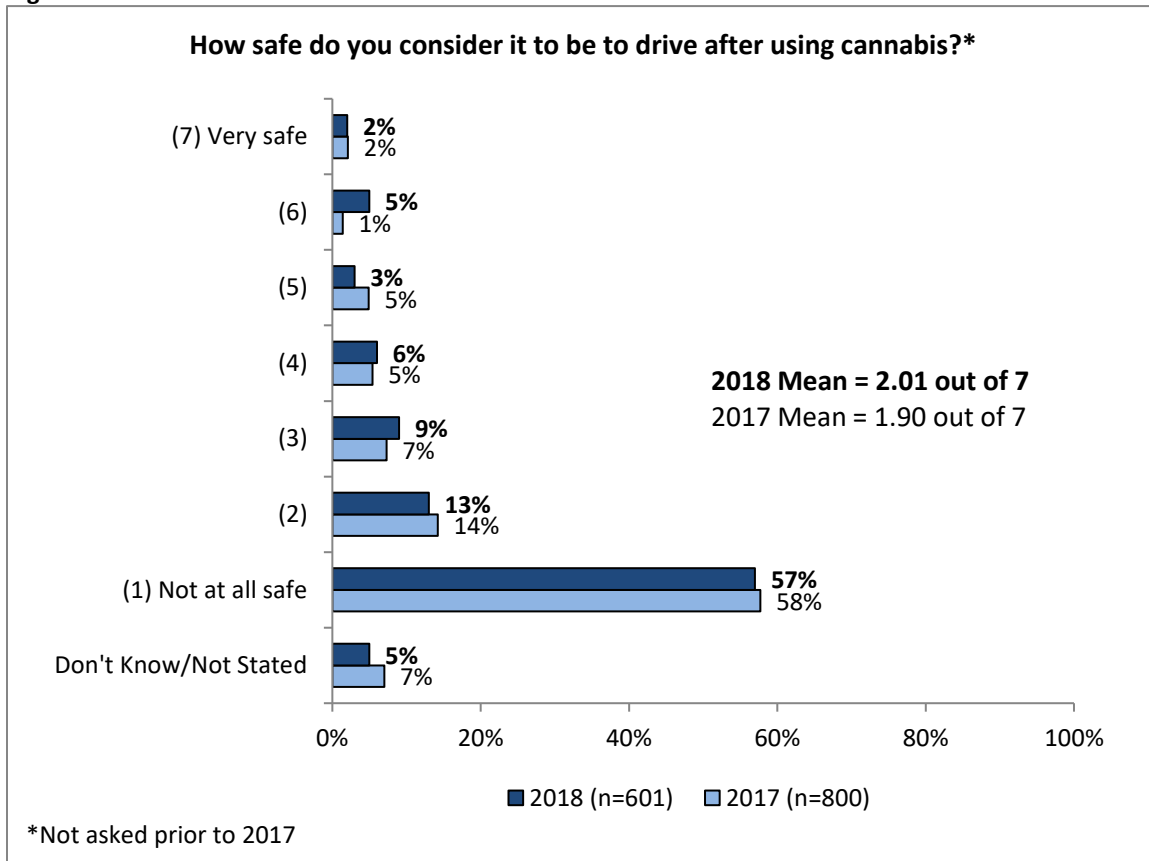


Respondent subgroups significantly more likely to have reported knowing someone who has ever driven while under the influence of cannabis included:

- Males (49%) versus females (37%); and
- Those aged 18 to 34 (54%) versus those aged 35 and older (33% to 41%).

Using a scale of 1 to 7 (1 being “not at all safe” and 7 being “very safe”), respondents were then asked how safe they considered it to be to drive under the influence of cannabis. Ten percent (10%) considered it safe (ratings of 5 to 7 out of 7), comparable to 8% in 2017, while over three-quarters (79%) considered it unsafe (ratings of 1 to 3 out of 7), consistent with 2017. See Figure 25, below.

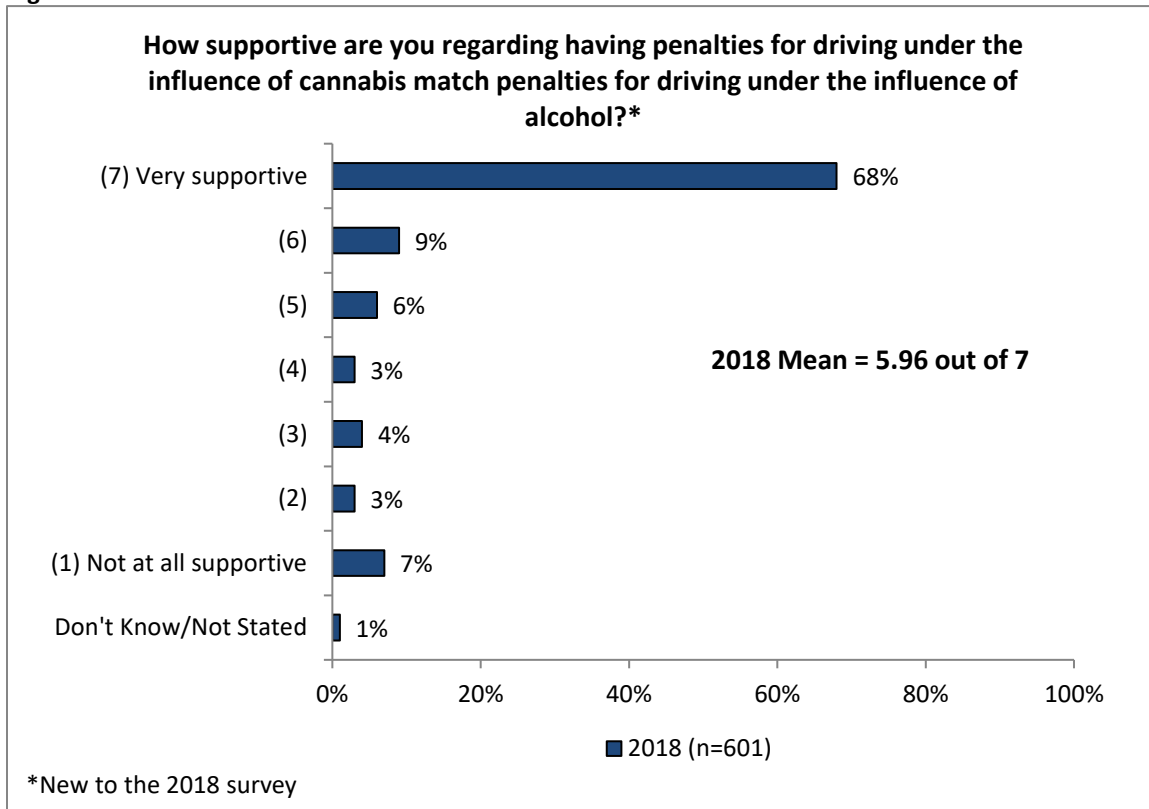
Figure 25



*Respondent subgroups Those aged 18 to 34 (14%) were significantly more likely to have **considered driving after the use of cannabis as safe (ratings of 5 to 7 out of 7)** versus those aged 35 to 54 (7%).*

Using a scale of 1 to 7 (1 being “not at all supportive” and 7 being “very supportive”), respondents were then asked how supportive they were regarding having penalties for driving under the influence of cannabis match penalties for driving under the influence of alcohol. Then majority of respondents (82%) were supportive of this (ratings of 5 to 7 out of 7). See Figure 26, below.

Figure 26



Respondent subgroups significantly more likely to support (ratings of 5 to 7 out of 7) **having penalties for driving under the influence of cannabis match penalties for driving under the influence of alcohol** included:

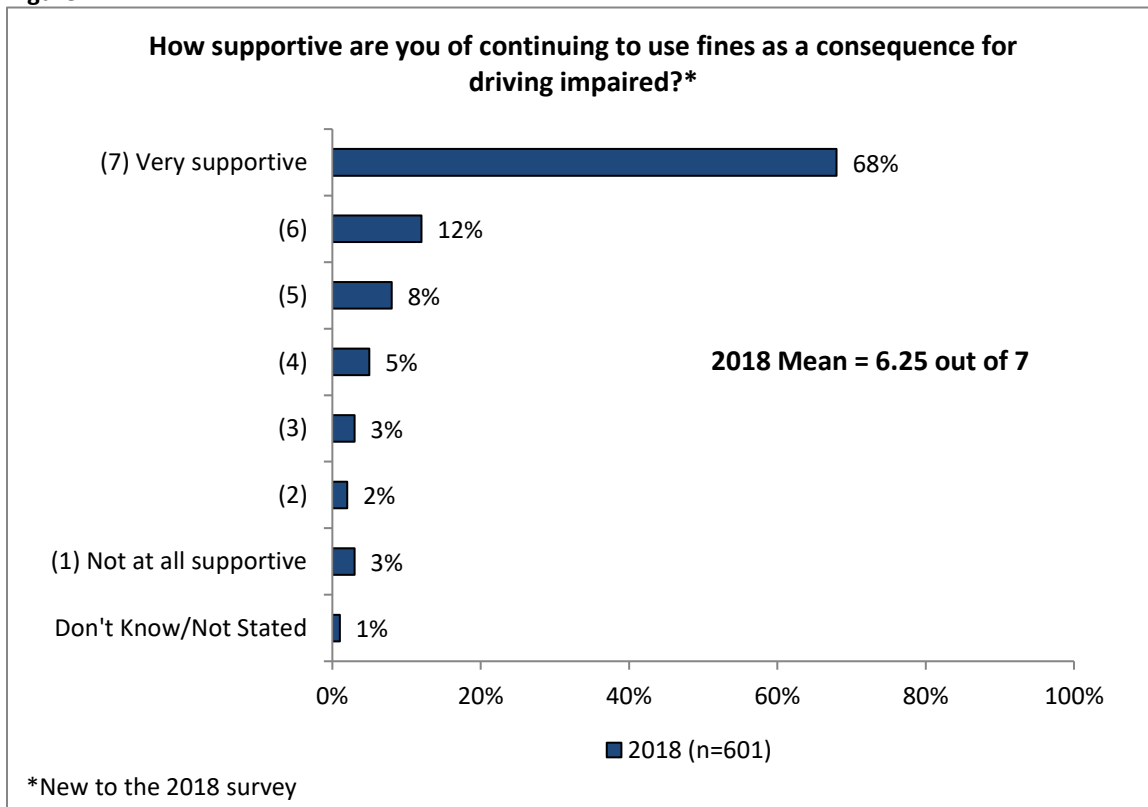
- Females (88%) versus males (76%);
- Those aged 55 and older (88%) versus those aged 18 to 34 (77%); and
- Those who live in rural areas of Alberta (88%) versus those who live in Edmonton (76%).

Next, respondents were provided with the following information:

“The penalties for driving under the influence of alcohol, cannabis, and other drugs can already include taking away the vehicle and driver’s license for a period of time, issuance of fines, mandatory education, use of a monitoring device in a vehicle.”

Using the same 1 to 7 scale, respondents were then asked how supportive they were of continuing to use fines as a consequence for driving impaired. Then majority of respondents (88%) were supportive of this (ratings of 5 to 7 out of 7). See Figure 27, below.

Figure 27

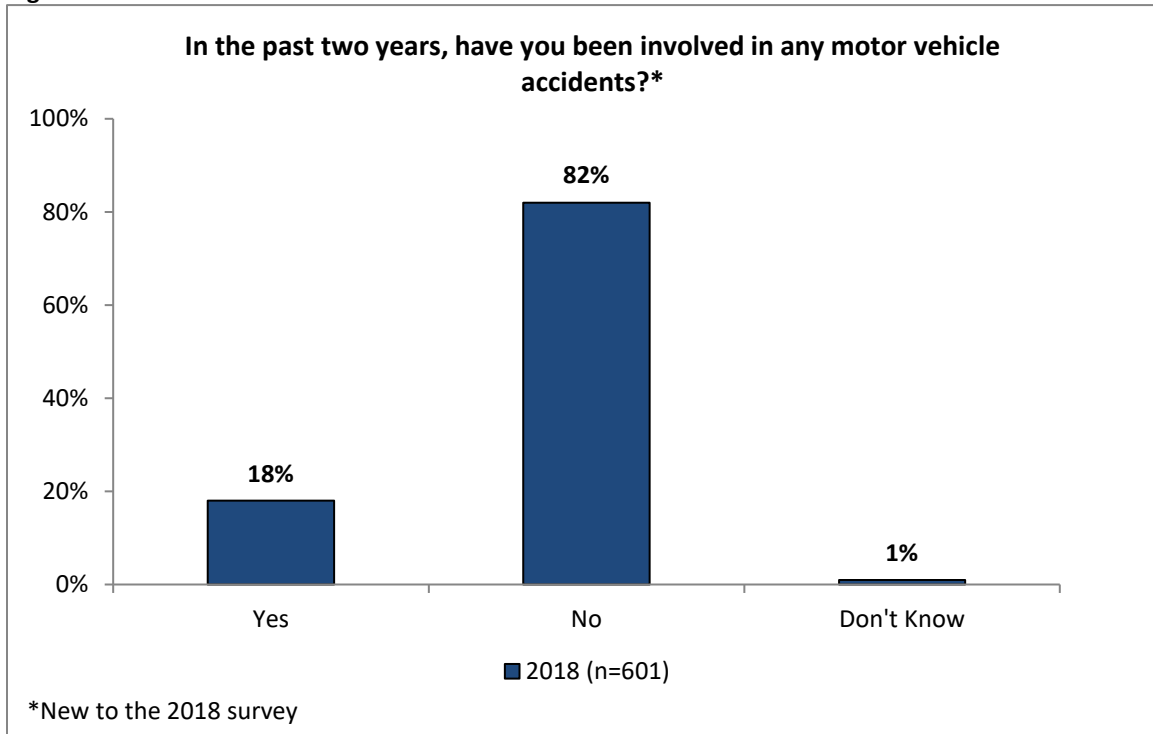


Females (92%) were significantly more likely to support (ratings of 5 to 7 out of 7) continuing to use fines as a consequence for driving impaired versus males (84%).

4.7 Household Insurance Profile

In the final section of the survey, respondents were asked a few questions regarding their household's insurance history. Eighteen percent (18%) of respondents were involved in a motor vehicle accident in the past two years. See Figure 28, below.

Figure 28



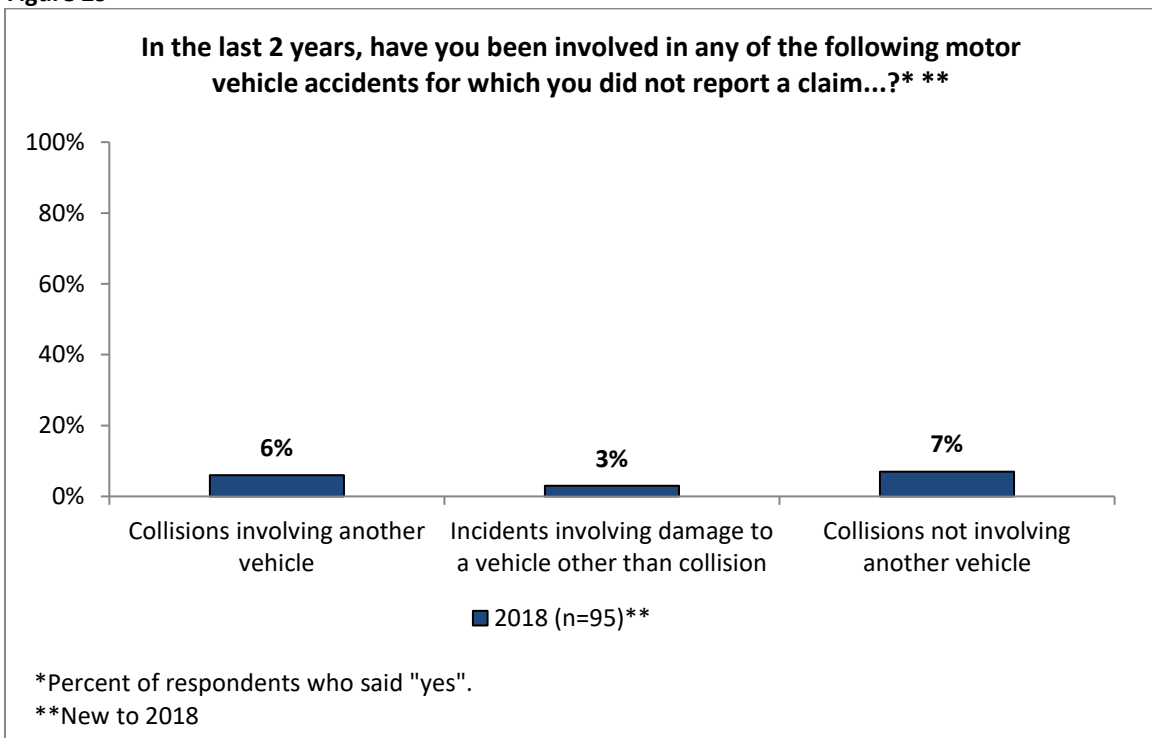
*Those aged 18 to 54 (19% to 23%) were significantly more likely to have **been involved in a motor vehicle accident in the past two years** versus those aged 55 and older(11%).*

Those who were involved in any motor vehicle accidents in the past two years (n=95) were asked a few questions regarding their vehicle collisions, non-vehicle collisions, and other non-collision incidents:

- Six percent (6%) 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;
- Three percent (3%) 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
- Seven percent (7%) indicated that someone in their household had been involved in a **collision not involving another vehicle** and did not report a claim.

See Figure 29, below.

Figure 29



Respondents who have been involved in any collision or incident in the past 2 years, and who did not report a claim (n=17) were asked why they chose not to report their claim. Over one-third (35%) of respondents reported that there was very little damage to their vehicle, or their damage amount was below their deductible amount. See Table 6, below.

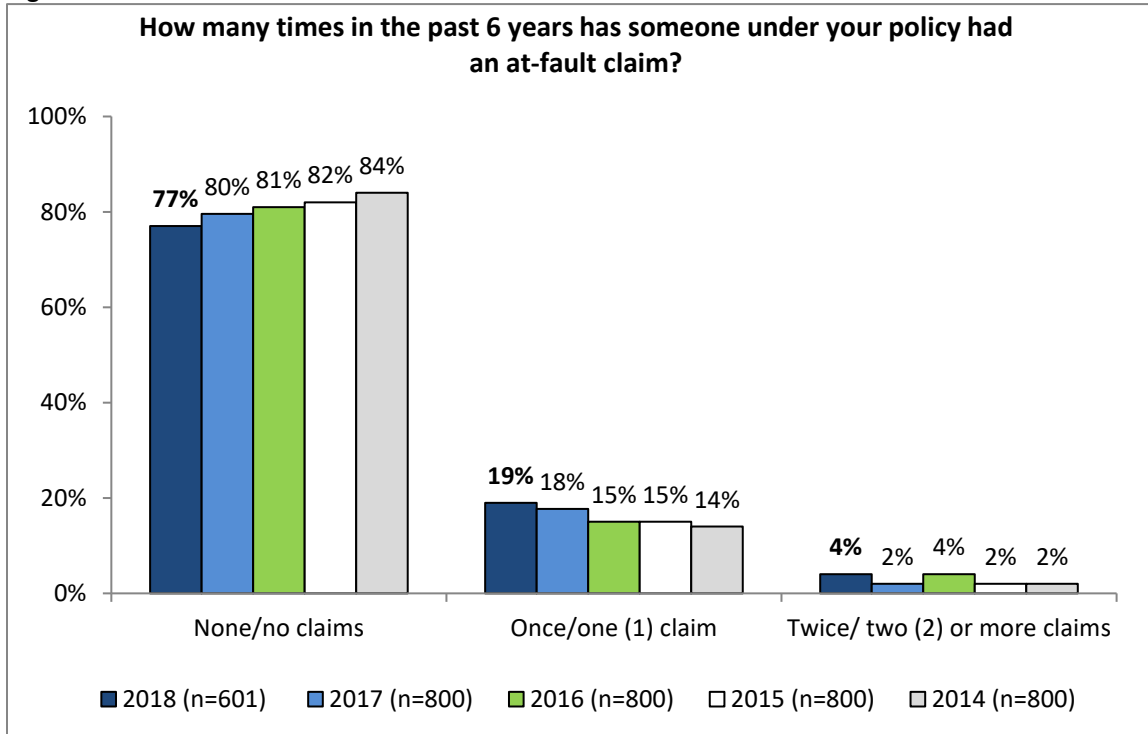
Table 6

Why did you choose not to report your claim(s)?*	
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	Percent of Respondents* (n=17)
Very little damage to my vehicle or damage amount was below the deductible	35
Agreed to settle with other driver	12
Did not want my premiums to increase	11
No damage to my vehicle	5
Other; specify:	
Was an accident involving wild animal	8
Age of vehicle/vehicle is too old	4
Was a hit and run accident	4
Don't Know/Not Stated	35

*Not asked prior to 2017

Finally, respondents were asked how many times in the past 6 years, someone covered by their insurance policy had made an at-fault claim. As shown in Figure 30, below, nearly 8 out of 10 respondents (77%) had not made any at-fault claims, while 19% had made one (1) claim. Four percent (4%) indicated that their household had at least two (2) at-fault claims in the past 6 years. Results are comparable to 2017.

Figure 30



Respondent subgroups significantly *more likely* to have reported that there have not been any at-fault claims under their policy in the past 6 years included:

- Those aged 55 and older (83%) versus those aged 18 to 34 (70%); and
- Those who live in rural areas in Alberta (86%) versus those who live in Calgary (72%) or Edmonton (70%).

Those who live in Edmonton (6%) were significantly *more likely* to have reported that there has been two (2) at-fault claims under their policy in the past 6 years versus those who live in Calgary (2%).

4.8 Respondent Demographics

Table 7, below, demonstrates the demographic breakdown of the residents surveyed in 2018.

Table 7

	Percent of Respondents				
	2018 (n=601)	2017 (n=800)	2016 (n=800)	2015 (n=800)	2014 (n=800)
Gender					
Male	50	50	50	50	52
Female	50	50	50	50	48
Age					
18 to 24 years old	8	11	1	3	<1
25 to 34 years old	24	22	3	6	3
35 to 44 years old	16	14	10	13	7
45 to 54 years old	20	24	15	21	17
55 to 64 years old	12	10	24	21	30
65 years of age or older	20	19	43	36	42
Mean	47.1 years	46.8 years	61.0 years	57.4 years	61.5 years
For how many years have you been a licensed driver?					
10 years or less	20	18	2	6	3
11 to 20 years	21	21	7	10	6
21 to 30 years	17	19	16	19	13
31 to 40 years	19	19	23	23	25
41 to 50 years	12	13	28	19	28
More than 50 years	11	11	24	23	26
Mean	27.8 years	28.2 years	41.3 years	38.2 years	42.0 years
How many licensed drivers do you arrange insurance for in your household?					
One (1) driver	35	30	30	32	31
Two (2) drivers	53	51	54	53	55
Three (3) drivers	6	14	9	9	9
Four (4) drivers	3	4	4	4	3
Five (5) or more drivers	1	1	1	1	2
None	2	1	1	1	<1
Mean	1.86 drivers	1.95 drivers	1.91 drivers	1.95 drivers	2.00 drivers

APPENDIX A – SURVEY INSTRUMENT

INTRODUCTION

Landline Intro

Hello, I'm _____ with Banister Research; we're calling on behalf of the board that regulates automobile insurance in Alberta. We are conducting a study on consumer perceptions of automobile Insurance rates and related topics.

[If needed] The results of the survey will impact insurance rating programs for private passenger vehicles and input from Albertans is a very important component of this.

I assure you that we are not selling or promoting anything, and all your responses are confidential and will be kept completely anonymous.

Your household has been randomly dialed to participate in this study, and your responses will be used to help the Board's Consumer Representative present a public report about this study.

A. For this study, I need to speak to the adult member of your household who is at least 18 years of age and reviews or researches automobile insurance for your household's private passenger vehicles. Is that person available?

- 01. Yes, speaking **[Continue]**
- 02. Yes, I'll get him/her **[Repeat introduction and continue]**
- 03. Not now **[Arrange callback and record first name of selected respondent]**

If you have any questions about the survey, please contact KimBerley Kern at the Alberta Automobile Insurance Rate Board at 780-427-5428 or toll-free at 310-0000.

A1. [SCREENING FOR 18-35] Is there someone in your household who is between the ages of 18 to 35 years who reviews or researches automobile insurance for your household's private passenger vehicles. Is that person available?

- 01. Yes, speaking **[Continue]**
- 02. Yes, I'll get him/her **[Repeat introduction and continue]**
- 03. Not now **[Arrange callback and record first name of selected respondent]**

B. Does your household have one or more passenger vehicles that are in active use?

- 01. Yes **[CONTINUE]**
- 02. No **[THANK AND TERMINATE]**

C. Do you, or does any member of your household...? **[READ LIST]**

- 01. Yes
- 02. No

a. Work in marketing research or the news media such as radio, television, or newspaper

- b. Work in the automobile insurance industry
- c. Work for the Superintendent of Insurance or the Alberta Automobile Insurance Rate Board

THANK AND TERMINATE, IF YES TO ANY IN Question C.

D. Record Gender [DO NOT ASK] – 50/50 Male/Female Split (Overall)

- 01. Male
- 02. Female

E. Region (Watch Quotas) n=600:

- 1. Edmonton n=150
- 2. Calgary n=150
- 3. Other Cities n=150
- 4. Rural n=150

F. In what year were you born?

- _____ **[Record year]**
9. Refused [**TERMINATE**]

Cell Phone Introduction

Hello, I'm _____ with Banister Research; we're calling on behalf of the board that regulates automobile insurance in Alberta. We are conducting a study on consumer perceptions of automobile Insurance rates and related topics.

I assure you that we are not selling or promoting anything, and all your responses are confidential and will be kept completely anonymous.

A. May I please confirm that we have reached you via cell phone?

- 1. Yes, this is a cell phone **[CONTINUE]**
- 2. No, this is a landline **[CONTINUE WITH LANDLINE INTRO, BUT REMOVE FROM CELL PHONE SAMPLE/COUNT TOWARD LANDLINE SAMPLE]**

B. For this study, I need to speak to the adult member of your household who is at least 18 years of age and reviews or researches automobile insurance for your household's private passenger vehicles. Is that person available?

B1. [SCREENING FOR 18-35] Is there someone in your household who is between the ages of 18 to 35 years who reviews or researches automobile insurance for your household's private passenger vehicles. Is that person available?

1. Yes [**READ:** Are you comfortable speaking with me via cell phone, or would you prefer I call you back on a landline?

- i. Yes, cell phone **[CONTINUE]**
- ii. Yes, landline **[RECORD LANDLINE NUMBER AND CALL BACK]**
- iii. No **[THANK AND TERMINATE]**

2. No [**READ:** Would it be possible to speak the male or female head of household who is at least 18 years old, reviews or researches automobile insurance for your household's private passenger vehicles. Is that person available? Do they have a landline or cell phone number we may reach them at?]

- i. Yes, landline **[RECORD NAME AND PHONE NUMBER, SCHEDULE CALLBACK, GO TO LANDLINE INTRODUCTION]**
- ii. Yes, cell phone **[RECORD NAME AND PHONE NUMBER, SCHEDULE CALLBACK, GO TO CELL PHONE INTRODUCTION]**
- iii. No **[THANK AND TERMINATE]**

C. Does your household have one or more passenger vehicles that are in active use?

- 01. Yes **[CONTINUE]**
- 02. No **[THANK AND TERMINATE]**

D. This interview will take approximately 12 to 15 minutes, depending on your responses. Is this a convenient time for us to talk, or should we call you back?

- 1. Convenient time **CONTINUE**
- 2. Not convenient time **ARRANGE CALL-BACK**

E. In what year were you born?

- 1. ____ [**Record year**]
- 9. Refused [**TERMINATE**]

F. Region (Watch Quotas) n=600:

1. Edmonton n=150
2. Calgary n=150
3. Other Cities n=150
4. Rural n=150

G. Record Gender **[DO NOT ASK] 50/50 Male/Female Split (overall)**

1. Male
2. Female

H. Do you, or does any member of your household...? **[READ LIST]**

1. Yes
2. No

- a. Work in marketing research or the news media such as radio, television, or newspaper
- b. Work in the automobile insurance industry
- c. Work for the Superintendent of Insurance or the Alberta Automobile Insurance Rate Board

THANK AND TERMINATE, IF YES TO ANY IN Question H.

I. Are you in a safe and legal position to speak with me? I would like to ensure that you are not currently driving or prohibited from speaking on your cell phone.

1. Yes **[CONTINUE]**
2. No **[ARRANGE CALLBACK: When can I call you back? Would you prefer if I call you later on a landline?]**

- i. Yes, callback on cell phone **[SCHEDULE CALLBACK]**
- ii. Yes, callback on landline **[RECORD LANDLINE NUMBER AND START AGAIN FROM LANDLINE INTRO]**
- iii. No **[THANK AND TERMINATE]**

J. Before we continue, I would also like to confirm that this survey will not be conducted at a cost to you, for example by charging you long-distance. May I confirm that our time on the phone will not cost you anything?

1. Yes, no charge **[CONTINUE]**
2. No, there is a charge **[ARRANGE CALLBACK: May I call you back on a landline so that we do not incur any costs for you?]**
 - i. Yes **[RECORD LANDLINE NUMBER AND SCHEDULE CALLBACK]**
 - ii. No **[THANK AND TERMINATE]**

If you have any questions about the survey, please contact KimBerley Kern at the Alberta Automobile Insurance Rate Board at 780-427-5428 or toll-free at 310-0000.

IF "YES" TO ALL CELL PHONE QUESTIONS, CONTINUE WITH SCRIPT

Q1. At any time in the past two years, have you sought competitive quotes before making a decision from which company to purchase automobile insurance?

- 01. Yes
- 02. No **[SKIP TO Q2]**

1a. How many quotes did you obtain while shopping for insurance?

_____ Record number

1b. Where did you get the quotes? **[SELECT ALL THAT APPLY]**

- 01. Websites
- 02. Telephone calls to brokers / agents
- 03. In-person visits to brokers /agents
- 96. Other: _____ **[Specify]**

1c. Using a scale from 1 to 7, where 1 means VERY EASY and 7 means VERY DIFFICULT, please rate the level of effort that is needed to get a quote.

- 01. Very Easy
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Very Difficult
- 98. Don't know **[DO NOT READ]**

1d. What was the most difficult part in obtaining quotes? **[Single Response]**

- 01. Understanding the coverages
- 02. Unable to get a final quote online unless talking to a broker/agent
- 03. Too many questions
- 04. Other: _____ **[Specify]**

1e. When you made your decision to purchase insurance what method did you use?
[SINGLE RESPONSE]

- 01. Online Insurance Company
- 02. Telephone/in person - to broker
- 03. Insurance Company Direct by phone/visit
- 96. Other: _____ **[Specify]**

Q2. Thinking about your household's automobile insurance, in the last two years, have you, for any of your vehicles...?

- 01. Yes
 - 02. No
-
- a. Switched insurance companies
 - b. Remained with your existing carrier
 - c. Obtained a new automobile insurance policy for a vehicle you purchased or acquired

Q3. IF YES TO Q.2a: What led to the decision to switch from the prior automobile insurance company? [MULTIPLE RESPONSES]

- 01. Able to find a lower premium
- 02. Poor claims service
- 03. Desired coverage not available
- 04. Other: _____ **[Specify]**

PERCEPTIONS OF AUTOMOBILE INSURANCE

Please be reassured that the following questions are for **information purposes only**, and nothing you say will be linked to you or your household. Survey results will **only** be reported in aggregate, and nothing will be used against you.

Q4. In the past two years, have you or someone else in your household...?

- 01. Yes
 - 02. No
 - 03. Don't know/don't remember timing **[DO NOT READ]**
-
- a. Decided not to insure your vehicle?
 - b. Been denied automobile insurance coverage
 - c. Experienced unexpected increase in automobile insurance rates although you are claims and conviction free?
 - d. Experienced unexpected increase in automobile insurance rates due to recent claims or conviction?

Q5. Using a scale from 1 to 7, where 1 means DO NOT AGREE AT ALL and 7 means COMPLETELY AGREE, please rate your level of agreement that, given your personal circumstances, your automobile insurance premiums are fair and reasonable, and reflect your driving habits and the vehicle driven.

- 01. Do not agree at all
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Completely agree
- 08. Don't know **[DO NOT READ]**

Q6. Using a scale from 1 to 7, where 1 means DO NOT UNDERSTAND AT ALL and 7 means COMPLETELY UNDERSTAND, please rate your level of understanding of your automobile coverages.

- 01. Do not understand at all
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Completely understand
- 08. Don't know **[DO NOT READ]**

Q7. Have you in the past 6 years escalated a complaint with your insurance company (not including your insurance agent)?

- a. Yes
- b. No

If yes to Q7:

Q7a. Was the complaint resolution explained to you and was it easy to understand?

- a. Yes
- b. No

Q7b. Was your complaint resolved?

- a. Yes
- b. No

If yes to Q7b.

Q7c. How long did it take to resolve?

- a. Less than 3 months
- b. 3 to 6 months
- c. 7 to 12 months
- d. Greater than 12 months

If yes to Q7b.

Q7d. How many levels of escalation did it take to resolve?

- a. Supervisor
- b. Manager
- c. Above Manager level

Q8. Have you had a collision in the last 6 years, for which you claimed from insurance for medical treatment?

- a. Yes
- b. No

If yes to Q8:

Q8a. If you claimed for treatment, were you able to access appropriate medical treatment for your injuries (access means timely, without barriers imposed by insurer)?

- c. Yes
- d. No

Q9. Have you had a collision in last 6 years, for which you claimed from insurance for injury compensation?

- a. Yes
- b. No

If yes to Q9:

Q9a. Using a scale from 1 to 7, where 1 means VERY DIFFICULT and 7 means VERY STRAIGHTFORWARD, please rate the level of your experience in making and settling the claim for compensation.

- 01. Very difficult
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Very straightforward

Usage-Based Insurance

Q10. Some provinces have approved (Ontario, Quebec, Alberta, New Brunswick, and Nova Scotia "usage-based insurance" discounts to drivers. These discounts are calculated based on vehicle data such as speeding, hard braking, and mileage, collected by an on-board telematics device (sensor). If the vehicle's data shows safe driving habits, a discount will be applied to the current insurance premium. It is important to note that unsafe driving practices do not result in increased premiums if Usage Based Insurance is added to your policy. Five companies within the Province of Alberta currently offer usage-based insurance.

Would you consider signing up for Usage Based Insurance for you and / or for other drivers in the household when your insurance companies make it available to you?

- 01. Yes
- 02. No
- 03. It depends; specify: _____
- 98. Don't know **[DO NOT READ]**

Distracted Driving

[READ:] effective January 1, 2016 the penalty for distracted driving in Alberta is a \$287 fine and three demerit points.

Q11. Using a scale from 1 to 7, where 1 means DO NOT AGREE AT ALL and 7 means COMPLETELY AGREE, please rate your level of agreement that the current penalties are sufficient.

- 01. Do not agree at all
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Completely agree
- 98. Don't know **[DO NOT READ]**

11a. [IF Q11=1,2, OR 3] If you do not agree, do you think the current penalties are too strong or too light?

- 01. Too light
- 02. Too strong
- 98. Don't Know

Q12. There are apps available to block distractions such as phone calls or messages while you are driving a vehicle. Have you considered using them?

- 01. Yes
- 02. No
- 98. Refused/Don't know **[DO NOT READ]**

Autonomous Vehicles

[**READ:**] Autonomous vehicles are highly automated cars that are capable of sensing the environment and navigating without human input. Autonomous cars can detect surroundings using a variety of techniques, such as radar, GPS, and computer vision.

Q13. If autonomous vehicles are allowed on Alberta roads, using a scale from 1 to 7, where 1 means "not at all likely" and 7 means "very likely," in your opinion, how likely is it that roads will be safer?

- 01. Not at all likely
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Very likely
- 98. Don't know

[**DO NOT READ**]

Driving Under the Influence

[**READ:**] As you may know, the federal government is legalizing cannabis. The Government of Canada is committed to ensuring that those who drive while impaired by drugs, including cannabis, will be subject to stronger laws and is examining ways to improve the ability to detect and prosecute drug impaired driving, similar to alcohol-impaired driving.

Please be reassured that the following questions are for **information purposes only**, and nothing you say will be linked to you or your household. Survey results will **only** be reported in aggregate, and nothing will be used against you.

Q14a. Do you know someone who has ever driven after ingesting, inhaling, or eating a substance containing cannabis?

- 01. Yes
- 02. No
- 98. Refused/Don't know

[**DO NOT READ**]

Q14b. Using a scale from 1 to 7, where 1 means "not at all safe" and 7 means "very safe," how safe do you consider it to be to drive after using cannabis?

- 01. Not at all safe
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Very safe
- 98. Don't know

[**DO NOT READ**]

Q14c. Using a scale from 1 to 7, where 1 means “not at all supportive” and 7 means “very supportive”, how supportive are you regarding having penalties for driving under the influence of cannabis match penalties for driving under the influence of alcohol?

- 01. Not at all supportive
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Very supportive
- 98. Don't know **[DO NOT READ]**

[READ:] The penalties for driving under the influence of alcohol, cannabis, and other drugs can already include taking away the vehicle and driver's license for a period of time, issuance of fines, mandatory education, use of a monitoring device in a vehicle.

Q14d. Using a scale from 1 to 7, where 1 means “not at all supportive” and 7 means “very supportive”, how supportive are you of continuing to use fines as a consequence for driving impaired?

- 01. Not at all supportive
- 02.
- 03.
- 04.
- 05.
- 06.
- 07. Very supportive
- 98. Don't know **[DO NOT READ]**

DEMOGRAPHICS

I would like to ask you a few final questions about yourself and your household. Again, please be reassured that none of your responses will be reported individually; all responses will be pooled with those of all other participants.

D1. In the past two years, have you been involved in any motor vehicle accidents?

- 01. Yes
- 02. No

D1-a. **[ASK IF QD1=YES]** In the past two years, have you ever been in any of the following motor vehicle accidents for which you did not report a claim?

- 01. Yes
- 02. No
- 98. Don't know **[DO NOT READ]**

- a. Collisions involving another vehicle
- b. Collisions not involving another vehicle
- c. Incidents involving damage to a vehicle other than a collision. For example, property damage caused by fire, theft, hail or vandalism.

D1-b. **[ASK IF QD1-a=YES TO ANY]** What were the reasons for not reporting your claim(s)? **[MULTIPLE RESPONSES; DO NOT READ]**

- a. No damage to my vehicle
- b. Very little damage to my vehicle or damage amount was below the deductible
- c. Did not want my premiums to increase
- d. Agreed to settle with other driver
- e. Other; specify: _____

D2. For how many years have you been a licensed driver?

_____ **[RECORD EXACT ANSWER]**

If less than one year, enter "0"; if more than ten years, enter "10+".

D3. How many licensed drivers do you arrange insurance for in your household?

[RECORD EXACT ANSWER]

D4. How many times in the past 6 years have you or someone covered by your insurance policy had an at-fault claim? An at-fault claim is where you are held accountable for at least 50% of the automobile accident or related incidents.

_____ **[RECORD EXACT ANSWER]**

PAT RESPONSE: An at-fault accident is when the accident is at least 50% your fault. (as determined by Police or Insurance company)

D5. Which are the first 3 digits of your postal code?

99 Refused

RECRUITMENT INVITATION

D6. The Alberta Automobile Insurance Rate Board may be conducting follow-up research in the future regarding your knowledge and perceptions of automobile insurance in Alberta, including focus groups, web-based surveys and interviews. Would you be willing to participate in follow-up research?

YES – **[CONTINUE WITH SURVEY]**

NO – **[THANK & END]**

NO Response – **[END]**

D7. Do we have your permission to collect and release your contact information to the Alberta Automobile Insurance Rate Board for the sole purpose of future research opportunities? Please be assured that your information will not be released or sold to another party without your consent, and none of your responses to this survey will be linked to you in any way.

YES – **[CONTINUE WITH SURVEY]**

NO – **[THANK & END]**

NO Response – **[END]**

D8. Please confirm your first name, telephone number, city and email address so we may contact you in the future:

First name: _____

Telephone number: _____

City: _____

Email address: _____

On behalf of the Alberta Automobile Insurance Rate Board, I would like to thank you very much for your time and co-operation.

APPENDIX B – SAMPLE WEIGHTING MATRIX

Geographical location	Age	Percent (%) of Total Population	Number of Interviews Completed	Weighting Factor	Representative Number of Interviews
Edmonton (Males)	18 to 34	4.21%	14	1.8075	25
	35 to 54	4.14%	33	0.7536	25
	55 and Older	3.31%	31	0.6425	20
Edmonton (Females)	18 to 34	4.08%	13	1.8878	25
	35 to 54	4.01%	30	0.8042	24
	55 and Older	3.73%	29	0.7738	22
Calgary (Males)	18 to 34	5.05%	11	2.7597	30
	35 to 54	5.87%	27	1.3073	35
	55 and Older	4.73%	38	0.6893	26
Calgary (Females)	18 to 34	5.02%	7	4.3097	30
	35 to 54	5.85%	31	1.1337	35
	55 and Older	4.73%	36	0.7900	28
Other Cities (Males)	18 to 34	3.13%	7	2.6884	19
	35 to 54	3.39%	28	0.7269	20
	55 and Older	2.68%	38	0.4236	16
Other Cities (Females)	18 to 34	3.03%	11	1.6559	18
	35 to 54	3.32%	21	0.5391	20
	55 and Older	3.03%	42	0.5204	18
Rural (Males)	18 to 34	3.76%	11	2.0520	23
	35 to 54	4.87%	21	1.3931	29
	55 and Older	5.03%	42	0.7203	30
Rural (Females)	18 to 34	3.59%	4	5.3887	22
	35 to 54	4.82%	31	0.9335	29
	55 and Older	4.99%	36	0.8328	30