Bulletin 08-2025
October 15, 2025

Bulletin to Interested Parties

Changes to the Automobile Insurance Premiums Regulation

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all insurers operating in Alberta changes to the Automobile Insurance Premiums Regulation.

Background

On October 8, 2025, amendments to the Automobile Insurance Premiums Regulation were released through Order in Council 306/2025 and 307/2025, making changes to sections which impact the AIRB and its operations.

Effective Immediately

1. Changes to definition of rating program under section 1(n) and wording under section 2(2). The changes grant authority for the AIRB to review and approve underwriting rules and makes clear a rating program includes the algorithms and rating variables used to determine premiums.
2. Removes reference to the Consumer Representative from the annual review in sections 9(4) and 9 (6)(c).
3. Changes the report required under section 9(6)(b) from "Consumer Representative" to "Consumer Perspectives", the AIRB will continue to issue a report on consumer perspectives.
4. Repeals section on the Annual Review Open Meeting, the AIRB will continue to hold an annual review process to engage interested parties.

Effective December 31, 2026

1. Sections related to the Grid Rating System are repealed. The AIRB is not replacing the Grid Rating System effective January 1, 2027.

Process

Underwriting Rules

Albertans have faced challenges with availability of coverages in recent years under the Good Driver Rate Cap, and insurers are not restricted from charging appropriate premiums for drivers who have convictions or at fault accidents. Therefore, the AIRB requires insurers to remove underwriting restrictions on availability of Section C coverages (collision, comprehensive, etc.) prior to the approval of any further rate increase.

Consumer Perspectives

References to the Consumer Representative have been replaced with Consumer Perspectives in respect to the Annual Review process. The AIRB will continue to survey Albertans for their views and perspectives on auto insurance, and a report will continue to be included as part of the annual review.

Annual Review Open Meeting

The requirement to hold an open meeting was repealed. This meeting's attendance has decreased substantially in recent years, diminishing the intended value the meeting was created to provide. Although there will no longer be a meeting in mid August, the AIRB will establish processes to ensure transparent sharing of information on the actuarial analysis and consumer perspectives while continuing to receive written submissions from interested parties.

Grid Rating System

Insurers will prepare to remove the Grid from their systems to coincide with the implementation of Care First. To manage the impact of those drivers who are capped by the Grid when it is repealed, insurers are expected to consider how young and inexperienced drivers may be adversely impacted by their rating program and make appropriate adjustments prior to the repeal of the Grid.

All insurers are also expected review their rating program for Direct Compensation for Property Damage (DCPD) and update if required with implementation effective no later than January 1, 2027. When DCPD was implemented in 2022, insurers split their third-party liability algorithms into the three components, Bodily Injury, Property Damage Tort, and DCPD for pricing, and this resulted in the DCPD premiums being established largely on the Bodily Injury rating algorithm. This coverage often results in inexperienced drivers paying higher premiums. Contact the AIRB to discuss the timing of your review and plans to update your rating algorithm if applicable.

Action Required

All insurers should be aware of the changes to the Automobile Insurance Premiums Regulation and adapt their filings or processes accordingly.

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

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