

REPORT: Comparison of Auto Insurance in BC and Alberta

March 18, 2019

Prepared for IBC by

MNP

ibc.ca



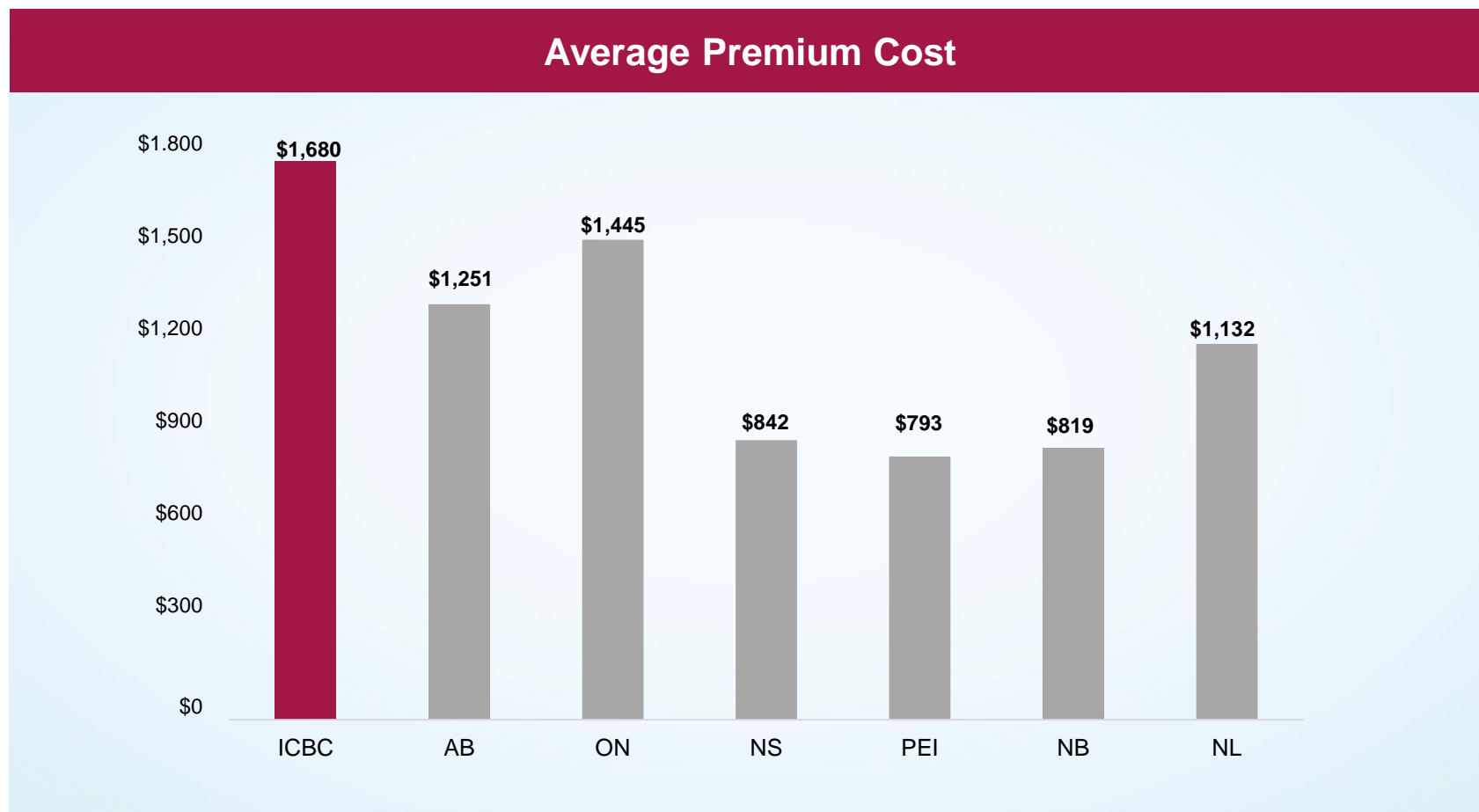


Auto Insurance in Canada





Auto insurance premiums across Canada



Source: IBC with data from GISA and ICBC 2017



A comparison of auto insurance in BC and Alberta

IBC commissioned MNP to:



Comparison of Auto Insurance in BC and Alberta

March 15, 2019

Prepared for the Insurance Bureau of Canada

1. Compare the BC and Alberta auto insurance systems
2. Better understand the premiums drivers are paying in each province.



Auto insurance systems in BC and Alberta

Key Findings:

- 1 As of April 1, 2019, BC's auto insurance system will be substantially the same as Alberta's**

SIMILARITIES

- ✓ tort-based system with cap on minor injury pain & suffering damages
- ✓ restrictions on the use of experts and expert reports
- ✓ average injury claim size

- 2 Drivers in BC pay significantly higher premiums than in Alberta**

DIFFERENCE

ICBC monopoly vs. Alberta's competitive market



Determining the price impact of ICBC's monopoly vs. competition

MNP obtained pricing quotes for the **same drivers**, using the **same vehicles**, in **similar locations** in both provinces.

Prices also reflect identical coverage in each province, including:

- \$1 million third-party liability
- Collision coverage (\$500 deductible)
- Comprehensive coverage (\$250 deductible)
- Uninsured motorist protection



Small-business owner in Surrey

BILL, AGE 46



No at-fault accidents

Drives a 2014 Ford F-150

Business use

Price of Auto Insurance



Surrey
\$2,058



Calgary
\$1,399

**DIFFERENCE
\$659**



Young couple living in Coquitlam

MATTHEW & LISA, AGE 35



No at-fault accidents

Drive a 2014 Honda Civic

Commute to work*

*less than 15 km one-way

Price of Auto Insurance



Coquitlam
\$1,693



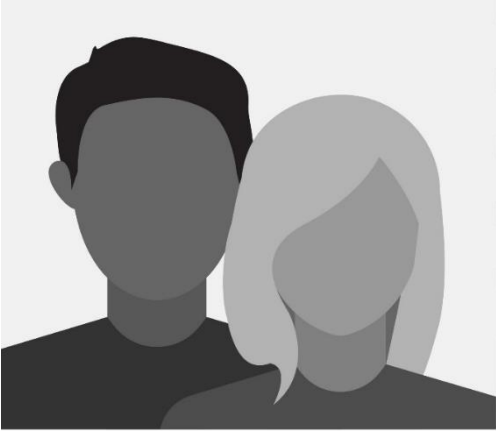
Calgary
\$1,125

DIFFERENCE
\$568



Young couple living in Squamish

JEFF & NATALIE, AGE 35



No at-fault accidents

Drive a 2014 Honda Civic

Commute to work*

*less than 15 km one-way

Price of Auto Insurance



Squamish
\$1,479



Airdrie
\$1,125

DIFFERENCE
\$354



Young man living in Prince George

SCOTT, AGE 24



No at-fault accidents

Drives a 2010 Ford F-150

Commutes to work*

*less than 15 km one-way

Price of Auto Insurance



Prince George

\$1,608



Fort McMurray

\$1,345

**DIFFERENCE
\$263**



Young man living in Vancouver

DANIEL, AGE 24



One at-fault accident

Drives a 2010 Ford F-150

Commutes to work*

*less than 15 km one-way

Price of Auto Insurance



Vancouver

\$2,897



Calgary

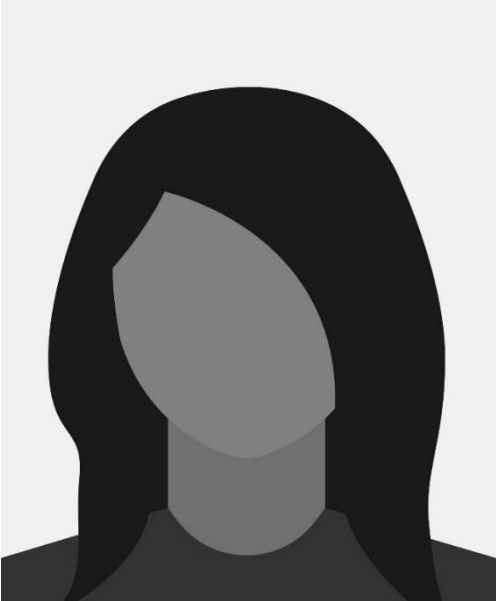
\$2,209

**DIFFERENCE
\$688**



Young woman living in Burnaby

CAITLIN, AGE 26



No at-fault accidents

Drives a 2014 Honda Civic

Commutes to work*

*less than 15 km one-way

Price of Auto Insurance



Burnaby
\$2,369



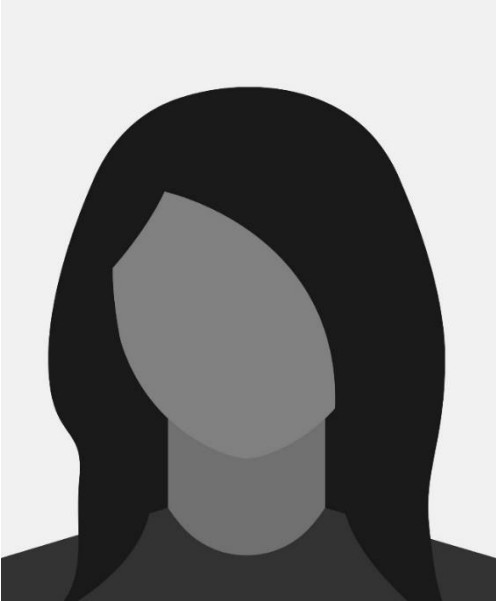
Calgary
\$1,674

**DIFFERENCE
\$695**



Young woman living in Burnaby

HANNAH, AGE 26



No at-fault accidents

Drives a 2014 Honda Civic

Pleasure

Price of Auto Insurance



Burnaby
\$2,285



Calgary
\$1,558

**DIFFERENCE
\$727**



Woman living in Vancouver

JENNIFER, AGE 55



One at-fault accident

Drives a 2016 Toyota Camry

Commutes to work*

*greater than 15 km one-way

Price of Auto Insurance



Vancouver

\$2,129



Calgary

\$1,399

**DIFFERENCE
\$730**



Woman living in Kamloops

SUSAN, AGE 55



One at-fault accident

Drives a 2016 Toyota Camry

Commutes to work*

*greater than 15 km one-way

Price of Auto Insurance



Kamloops
\$1,573



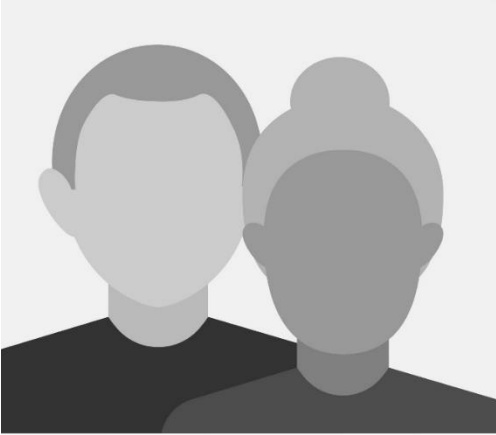
Medicine Hat
\$1,125

DIFFERENCE
\$448



Senior couple living in North Vancouver

RICHARD & DEBBIE, AGE 68



- No at-fault accidents
- Drive a 2014 Buick LaCrosse
- Pleasure

Price of Auto Insurance



North Vancouver

\$1,457



Calgary

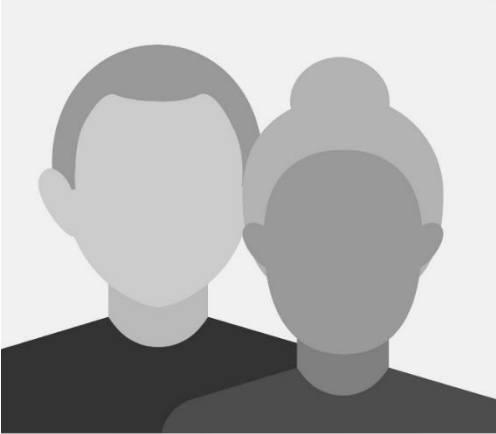
\$1,295

**DIFFERENCE
\$162**



Senior couple living in Kelowna

TOM & JOAN, AGE 68



- No at-fault accidents
- Drive a 2014 Buick LaCrosse
- Pleasure

Price of Auto Insurance



Kelowna
\$1,120



Red Deer
\$1,125

**DIFFERENCE
\$5**



Family with learner living in Langley

FRANK & DONNA, AGE 45



No at-fault accidents

Drive a 2012 Honda Accord

Commute to work*

*greater than 15 km one-way

Other driver(s)

Jane, age 16
No at-fault accidents

Price of Auto Insurance



Langley
\$2,232



Edmonton
\$1,395

DIFFERENCE
\$837



Family with learner living in Kelowna

KEN & LAURA, AGE 45



No at-fault accidents

Drive a 2012 Honda Accord

Commute to work*

*greater than 15 km one-way

Other driver(s)

James, age 16
No at-fault accidents

Price of Auto Insurance



Kelowna
\$1,688



Red Deer
\$1,125

**DIFFERENCE
\$563**



Recreational Drivers

FRED, AGE 50



No at-fault accidents

Drives a 2010 Class C Motorhome

Pleasure

STEVE, AGE 46



No at-fault accidents

Drives a 2010 Harley Davidson

Pleasure

Price of Auto Insurance



Victoria
\$1,118



Edmonton
\$347

DIFFERENCE
\$771



Fraser Valley
\$2,190



St. Albert
\$1,703

DIFFERENCE
\$487



Competition can help improve affordability in BC auto insurance

Conclusion:

- ✓ Similarity between the BC and Alberta auto insurance systems is further evidence of the benefits of competition
- ✓ Introducing competition and choice would save drivers up to \$325 annually in BC, through improved efficiency, innovation and claims handling
- ✓ Canada's private insurers stand ready to better serve drivers in British Columbia