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August 1, 2026
via email to airb@gov.ab.ca

Automobile Insurance Rate Board
#2440, 10303 Jasper Avenue
Edmonton, AB T5J 3N6

Attention: Laurie Balfour, Executive Director

Re: 2026 Annual Review (of industry experience to 12/31/25)

Dear AIRB,

I have had the opportunity to thoroughly assess the preliminary report of AIRB actuarial consultants RCS (formerly Oliver Wyman) in relation to this year's annual review, posted to the Board's website on June 17, 2026, and I take this opportunity to offer the comments that follow.

By way of background, I have been practicing law in Alberta for 35 years (bar call August 6, 1991). Exactly 31 years ago (August 1, 1995) I founded motor vehicle accident (MVA) injury firm McCourt Law Offices and since that time, have assisted thousands of innocent Albertans injured in auto accidents recover full and fair compensation from the corporations insuring the negligent drivers who caused those MVAs. I previously provided written submissions at AIRB Annual Reviews for five consecutive years from 2007-2011.

As expert Alberta economist Dr. Jack Mintz pointed out in a report titled, Alberta's Vehicle Insurance Options, while the average Albertan's auto insurance premium rose from 2019 (the year the United Conservative Party took office under UCP leader Jason Kenney) to 2023, bodily injury claims costs per insured vehicle fell by over 8% during that same time span. As the AIRB and its actuary are well aware, this led to unprecedented windfall profits for insurers (on the backs of ordinary Alberta policyholders) in the billions of dollars. Notably, amongst numerous auto insurance reform options, Dr. Mintz recommended against Alberta adopting a no-fault insurance scheme, favouring reforms that would maintain the at-fault (tort) system for victims of reckless drivers who suffer injuries not captured by the *Minor Injury Regulation*.

The UCP was re-elected in May 2023, led by Premier Danielle Smith. Premier Smith appointed Nate Horner as Finance Minister and directed him, in a letter dated July 13, 2023, to investigate options to reduce auto insurance premiums for good Alberta motorists. That day, Minister Horner ruled out no-fault insurance as an option unless it's "the only answer" to reduce rates, adding that such a major change would need a mandate from Albertans.

Evidently, no-fault insurance was most assuredly NOT the only answer to reduce rates, as was clearly expressed not only by Dr. Mintz, but also by stakeholders including myself, the Insurance Bureau of Canada and the Alberta Civil Trial Lawyers Association. IBC lobbyist Aaron Sutherland aptly described no-fault insurance systems as "disastrous" and cited a poll commissioned by FAIR Alberta confirming how staggeringly unpopular no-fault schemes are in the opinion of a majority of Albertans.

However, scant months after a hailstorm in Calgary cost auto insurers about a billion dollars in vehicle damage claims, Finance Minister Horner announced at a November 2024 press conference his department's plans to bring no-fault auto insurance to Alberta in 2027. Despite the costly storm, 2024 was a good year for the industry due to robust investment income (where, as I pointed out in my submission 15 years ago to the AIRB, insurers historically make their real profits).

As the recent RCS report shows, auto insurance premiums rose yet again in 2025 while claims costs plummeted, resulting in a 75% auto loss ratio that a generation ago, an IBC lobbyist referred to as a "Perfect World" auto loss ratio — where premiums in approximately equal claims costs and operating expenses out, leaving investment income earned on premiums and accumulated capital as pure, sweet profit.

Minister Horner's scheme to obliterate MVA tort law in favour of a so-called "Care-First" no-fault system flies in the face of a resolution passed over 50 years ago by the Canadian Bar Association: "Be it resolved that the right of an individual to recover general damages from the wrongdoer in motor vehicle accident cases and to have such right adjudicated in the courts is one of the most vital hallmarks of the Canadian system of justice." Just last year, delegates at the UCP's annual general meeting overwhelmingly rejected Minister Horner's proposed no-fault scheme. Even IBC lobbyist Sutherland published a persuasive piece against no-fault insurance in late 2023, pointing out not only that "The right to sue is paramount" but also noting that average payouts in no-fault Manitoba (the system largely copied by Alberta's TBF department for "Care-First") are a paltry $4623 (which, as the AIRB's actuarial report a month and a half ago confirms, is a small fraction of the over $12,300 average payout in Alberta under the accident benefits currently available on an actual "care first" basis in our existing, best-in-class auto insurance system).

In conclusion, and as I stated in an Edmonton Journal guest column a few months ago, Minister Horner's scheme to implement privately delivered no-fault auto insurance in Alberta next year not only is far from the sole available insurance reform option open to our provincial government, it is indeed the "worst possible option." Accordingly, in my guest column I called upon Premier Smith to replace Mr. Horner as Finance Minister. To the Honourable Premier's credit, she did so, the following month.

And so, while the RCS preliminary report states on page 14 that "The Care-First system will start on January 1, 2027", I recommend that Premier Danielle Smith and new Finance Minister Jason Nixon avail themselves of this one last opportunity to take a fresh look at the auto insurance reform file, scrap Horner's no-fault scheme and instead work with Justice Minister Mickey Amery to investigate nuanced, conservative auto insurance reforms that will reduce rates for good Alberta motorists while retaining the rights of Albertans left in chronic pain due to the negligence of reckless drivers to recover full and fair compensation from at-fault motorists' insurers. A great place to start might be reading my Calgary Herald column from two years ago, outlining the road map to a "win-win-win" for insurers, Albertans and our UCP government.

Thank you for your kind acceptance of this written submission for the AIRB's Annual Review, which I anticipate will be my last, given my plans to retire this December on my 60th birthday.

Yours truly,

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