

# MEDIA RELEASE

**FOR IMMEDIATE RELEASE**

## **Automobile insurance in Quebec: Tighter market impacting premiums**

Montreal, October 10, 2018 – The 2017 stats compiled by Groupement des assureurs automobiles confirm the tighter market, resulting in higher average premiums paid by Quebec drivers as a whole for the past three years.

The average premium paid for a private passenger vehicle was \$564 in 2017, up 6% from \$532 in 2015. As for the average cost of claims, it rose 8% during the same period, from \$3,062 in 2015 to \$3,301 in 2017.

### A combination of factors

Several factors explain the rise in auto insurance premiums over the past three years. In addition to the higher claims frequency and average cost of claims, one thing stands out: the level of premiums charged over the past years no longer covers the total cost of claims and insurers' operating expenses.

"In 2017, for every dollar of premium charged, insurers paid out 77 cents in claims. When you add in operating expenses, insurers' total cost has exceeded premiums paid since 2015", noted Michel Ladéroute, Assistant Executive Director, Groupement des assureurs automobiles.

### Technology is pushing up repair costs

The automobile market now offers increasingly sophisticated driver-assistance systems on many more models. All these electronic components have raised repairs costs. And this does not include the cost of parts and labour, which is going up year after year.

The data compiled from 2008 to 2017 confirms the steady increase in the average cost of claims, which rose from \$2,594 in 2008, to \$3,301 in 2017.

### Auto insurance: a competitive market

Strong competition in Quebec's auto insurance market led insurers to maintain or reduce premiums for several years, despite the rising cost of claims and insurers' operating costs. The market has adjusted since 2015, with premiums up an average 2% per year. "Despite this yearly increase, the average premium in 2017 corresponds to the average premium for 2008, in current dollars. Quebecers enjoy the lowest auto insurance premiums in Canada", confirmed Mr. Ladéroute.

**Auto insurance market recap (private passenger vehicle)\***

Year	Average premium (\$)	Average cost of claim (\$)	Claims ratio (%)
2008	563	2,594	64
2009	555	2,627	62
2010	546	2,671	59
2011	536	2,546	62
2012	532	2,756	63
2013	527	2,856	68
2014	525	2,929	67
2015	532	3,062	71
2016	542	3,191	73
2017	564	3,301	77

\*Automobile Statistical Plan data, private passenger vehicles, 2017

For more information on 2017 stats: [www.gaa.qc.ca](http://www.gaa.qc.ca).

### **About GAA**

Groupement des assureurs automobiles' mission is to actively participate in developing the automobile insurance industry in Quebec and to safeguard consumers' interests, more specifically by guaranteeing them access to insurance, streamlining the claims settlement process and promoting fair and equitable premiums based on published statistical data.

- 30 -

### **For information or interview:**

Anne Morin

Groupement des assureurs automobiles

514 288-1537, ext. 2229