



# PRESS RELEASE

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## **Cost of auto insurance in Quebec Premium at a 10-year low**

Montreal, June 13, 2013 – Groupement des assureurs automobiles (GAA) today published the 2012 automobile insurance stats on its web site.

For Quebec as a whole, the average premium (insurance for material damage only) paid by Quebec drivers was actually \$532, the lowest premium in 10 years. It was \$562 in 2002 and \$589 in 2005. It comes as no surprise that the highest average cost was in Montreal (central and eastern part) with the average premium at \$710. On the flip side, both the Lower St. Lawrence and Chaudière-Appalaches (excluding the Quebec City suburbs) regions had the lowest average premium in Quebec at \$412.

### **Claims frequency: varies depending on the region**

Claims frequency varies significantly from region to region, ranging from 8% to 15%. The Montreal, Quebec City and Chaudière-Appalaches (Quebec City suburbs) had the highest claims frequency at 14% and 15%, respectively. The Lanaudière, Mauricie, Centre-du-Québec and the Saguenay – Lac-Saint-Jean regions had the lowest claims frequency.

“Claims costs also vary significantly depending on the region. In fact, the average claim was \$2,735 for the Quebec regions as whole versus \$5,078 in Northern Quebec”, noted Marc-André Gagnon, Supervisor, Statistical Agency at GAA.

### **Young drivers: highest rate of at-fault accidents**

While fewer young drivers hold auto insurance in their own name, those aged 16 to 20 continue to have the highest claims frequency: 10% of young men and 9% of young women in this age group had an at-fault accident in 2012. By comparison, at-fault collision frequency was 4% for policyholders as a whole.

“The stats also show that the average cost per accident was higher among young drivers aged 16 to 20: \$5,838 for young men, or \$1,500 more than the average claim paid for men as a whole, which was \$4,255. Among young women aged 16 to 20, the average cost per claim was \$4,874 in 2012 versus \$3,782 for women as a whole”, stated Marc-André Gagnon.

### **Past claims experience: a key factor**

The more at-fault accidents an insured has had in previous years, the higher his or her loss frequency for the current year.

For example, claims frequency for policyholders with three at-fault accidents prior to 2012 was 25% in 2012. By comparison the claims frequency for those with no accidents in the three years prior to 2012 was 12%.

This data confirms that a policyholder’s past loss experience remains an indicator of the probability of future claims.

### **Auto theft: fewer thefts, but higher average cost**

The number of stolen vehicles for which a claim was made has fallen consistently since 2002, from 18,163 in 2002 to 7,484 in 2012. As a result, total indemnity paid dropped significantly and was halved, from \$211 million to \$107 million during this period.

“We’ve noted that each claim costs more, with the average up from \$11,607 in 2002 to \$14,283 in 2012”, concluded Marc-André Gagnon.

Other stats are available on GAA’s website at [www.gaa.qc.ca](http://www.gaa.qc.ca)

### **About GAA**

Groupement des assureurs automobiles groups all automobile insurers in Quebec and carries out the various mandates aimed at guaranteeing access to automobile insurance and streamlining claims settlement. GAA is also responsible for collecting all statistical data regarding private auto insurance in Quebec.

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**Information:** Julie Bellemare  
Public Affairs Consultant  
Tel.: 514-288-1537, ext. 2232  
Cell.: 514-953-0828  
[jbellemare@gaa.qc.ca](mailto:jbellemare@gaa.qc.ca)