

# Alberta's Changing Insurance Landscape

## Direct Compensation for Property Damage and Other Changes

### Background

In response to increasing insurance costs for Albertans, the Government of Alberta has recently updated the Insurance Act [1]. More specifically, [Bill 41](#) has received royal assent, and by early 2022 changes will come into effect in Alberta related to automobile insurance [2].

The Insurance Brokers Association of Alberta has put together a [short video](#) which provides an overview of the approaches different provinces take to insurance regulation in Canada [3].



In Alberta, automobile insurance is delivered through a private delivery system, and insurance rating programs are regulated by the Automobile Insurance Rate Board (AIRB) [4]. The AIRB [website](#) offers resources that can help individuals learn more about how insurance rates are determined in Alberta.

This bulletin will provide a high-level overview of some of the changes coming to the insurance industry in Alberta. Changes to Alberta's insurance program will impact commercial truck and bus coverage as well, so carriers are advised to proactively talk to their broker and/or insurance provider to learn more about how the changes may impact their coverage and premiums.

### Changes to Alberta's Automobile Insurance Industry

On January 1st, 2022, Alberta will enact legislation related to reducing insurance costs for Albertan drivers. The following sections will provide a brief overview of these changes.

#### Legislation Changes

The Government of Alberta's [website](#) provides greater details on legislation changes that will soon be in effect [1]. One of more significant changes is that Alberta will be enabling direct compensation for property damage (DCPD) [1]. DCPD allows people to obtain funds to cover repairs directly from their insurance provider as opposed to chasing the insurance provider of the at-fault driver.

Under DCPD, at-fault drivers will still see their records impacted from at-fault collisions and could see premium increases. The significance of DCPD is that it reduces the time delays and hassles in obtaining funds from a different insurance provider; this should speed up repairs and reduce administrative and legal costs.

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## Regulatory Changes

There have already been recent changes to Alberta's insurance regulations, and detailed list of changes can be found on the Government of Alberta's [website](#) [1]. The changes have been made in the spirit of reducing premiums and improving care.

Some of the changes related to reducing premiums include making changes to streamline dispute processes and their associated costs. Alternate forms of insurance coverage will begin to see greater use, too. For example, [usage based insurance](#) is permitted to be used more liberally by insurers to reduce the costs to their clients [1, 5].

## Summary

Significant changes have already occurred in Alberta's private insurance industry. Additional changes will be in effect as early as January 1st, 2022. AMTA will work with industry to communicate critical updates.

## Need Help? Contact AMTA

AMTA can provide carriers with guidance on the information presented in this bulletin. If you have any questions, please contact AMTA and our experienced staff will be happy to help. For your safety and compliance questions, please email Workplace Support Services (WSS) directly at [wss@amta.ca](mailto:wss@amta.ca).

For more updates like this on a variety of topics related to the trucking industry, please [sign up for our eNews](#).

## References

- 1 - "Automobile insurance reform", Government of Alberta, accessed August 27th, 2021, [Automobile insurance reform | Alberta.ca](#)
- 2 - "Bill 41: Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020", [Legislative Assembly of Alberta, accessed August 27th, 2021, Bill \(assembly.ab.ca\)](#)
- 3 - "Alberta and the DCPD", Insurance Brokers Association of Alberta, YouTube, accessed August 27th, 2021, [Alberta and the DCPD - Update - YouTube](#)
- 4 - "Automobile Insurance Rate Board", Automobile Insurance Rate Board, accessed August 27th, 2021, [AIRB : Alberta Automobile Insurance Rate Board - Home Page](#)
- 5 - "Usage Based Insurance", Automobile Insurance Rate Board, accessed August 27th, 2021, [AIRB : Automobile Insurance Rate Board - For Drivers - Usage-based Insurance \(alberta.ca\)](#)