

Superintendent of Insurance

Notice

Notice Number:	10-2023
Title:	Automobile Insurance Reform Measures
Date:	December 2023
To:	All Insurers Licensed to Offer Automobile Insurance in Alberta

Purpose

The purpose of this Notice is to advise all insurers licensed for automobile insurance in Alberta of reform measures the Government of Alberta has implemented to improve the province's automobile insurance system.

Effective January 1, 2024:

- The [Automobile Insurance Premiums Regulation](#) (AIPR) is amended;
- The [Insurance Enforcement and Administration Regulation](#) (IEAR) is amended;
- The Superintendent of Insurance (Superintendent) rescinds [Interpretation Bulletin 01-2023: Premium Payment Plans for Private Passenger Vehicle Insurance](#); and
- The Superintendent allows [Interpretation Bulletin 02-2023: Underwriting Rules Pertaining to Section C \(collision and comprehensive\) Coverage](#) to expire.

Reform Measures

- The AIPR is amended to:
 - Confer authority on the Automobile Insurance Rate Board (AIRB) to require an insurer to:
 - file a new or amended rating program with the AIRB for approval that takes into account changes to legislation, the market, or the operating environment (section 5.1); and
 - return premiums collected in excess of the AIRB's established profit benchmark (e.g., to protect consumers from unforeseen events that result in excessive profits, such as during the COVID-19 pandemic where insurers paid out significantly less in claims and other expenses than they collected in premiums due to reduced vehicle usage) (section 9.1).

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- Require Alberta insurers of private passenger vehicles (PPV) to offer premium payment plans to most Albertans applying for or renewing PPV insurance policies. In addition, as of January 1, 2025, all premium payment plans must be on a monthly basis.
- The IEAR is amended so that the Superintendent of Insurance may issue an administrative penalty against an insurer that does not:
 - comply with an AIRB order requiring the insurer to file a new or amended rating program after changes to legislation, the market, or the operating environment, pursuant to section 5.1 of the AIPR; and
 - offer premium payment plans to most Albertans applying for or renewing PPV insurance policies pursuant to section 9.2 of the AIPR.

If you have any questions regarding this Notice, please contact my office at 780-643-2237 or tbf.insurance@gov.ab.ca.

ORIGINAL SIGNED

Chris Merriman
Superintendent of Insurance

Contact Information and Useful Links

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