

2022 Bill 206

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Fourth Session, 30th Legislature, 1 Charles III

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 206**

## **INSURANCE (PRIVATE PASSENGER VEHICLE PREMIUM) AMENDMENT ACT, 2022**

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MR. SABIR

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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## **BILL 206**

2022

### **INSURANCE (PRIVATE PASSENGER VEHICLE PREMIUM) AMENDMENT ACT, 2022**

*(Assented to \_\_\_\_\_, 2022)*

HIS MAJESTY, by and with the advice and consent of the  
Legislative Assembly of Alberta, enacts as follows:

#### **Amends RSA 2000 cl-3**

**1 The *Insurance Act* is amended by this Act.**

#### **2 Section 600 is amended**

- (a) **in subsection (1) by striking out** “In addition to the powers conferred” **and substituting** “Subject to section 602.1(2), in addition to the powers conferred”, **and**
- (b) **in subsection (2) by striking out** “Despite anything in this Subpart” **and substituting** “Despite anything in this Subpart but subject to section 602.1(2)”.

#### **3 Section 602 is amended**

- (a) **in subsection (2) by striking out** “The Board may” **and substituting** “Subject to section 602.1(3), the Board may”, **and**
- (b) **in subsection (3) by striking out** “Notwithstanding subsection (2)” **and substituting** “Despite subsection (2) and subject to section 602.1(4)”.

## Explanatory Notes

**1** Amends chapter I-3 of the Revised Statutes of Alberta 2000.

**2** Section 600 presently reads in part:

*600(1) In addition to the powers conferred and duties imposed on the Board under this Act or the regulations, the Board must exercise and perform any other powers and duties assigned to it by the Minister or prescribed by the regulations.*

*(2) Despite anything in this Subpart, the Minister may, if the Minister considers it appropriate to do so, exercise any of the powers and perform any of the duties or functions of the Board under this Act.*

**3** Section 602 presently reads in part:

*602(1) No insurer may charge or collect from an insured or an applicant for a contract an amount for basic coverage or additional coverage unless*

*(a) the amount is based on a premium calculated under a rating program of the insurer filed with and approved by the Board or an amount determined by the Lieutenant Governor in Council under subsection (3), and*

*(b) the amount is equal to or less than the maximum premium determined under the regulations.*



*(2) The Board may, subject to the regulations, approve rating programs for basic coverage and additional coverage.*

*(2.1) A rating program filed with the Board is deemed to be approved by the Board in the circumstances, if any, set out in the rules established by the Board under section 599(14)(a).*

*(3) Notwithstanding subsection (2), the Lieutenant Governor in Council may determine the amount for basic coverage or additional coverage for any period the Lieutenant Governor in Council considers appropriate.*

**4 The following is added immediately after section 602:**

**Private passenger vehicle premium – temporary rate limit**

**602.1(1)** In this section,

- (a) “additional coverage” means insurance on a private passenger vehicle made available by an insurer that supplements basic coverage, including collision coverage;
  - (b) “basic coverage” has the same meaning as in the *Automobile Insurance Premiums Regulation*;
  - (c) “effective period” means the one-year period commencing on the coming into force of this section;
  - (d) “private passenger vehicle” has the same meaning as in the *Automobile Insurance Premiums Regulation*;
  - (e) “proposed increase” means an increase in respect of a premium determined in accordance with an insurer’s rating program that is filed with the Board for its approval in accordance with the *Automobile Insurance Premiums Regulation*;
  - (f) “rating program” has the same meaning as in the *Automobile Insurance Premiums Regulation*;
  - (g) “temporary zero increase threshold”, in respect of an insurer’s rating program, means a premium increase of 0% during the effective period.
- (2)** Despite section 600(1), the Minister may not, in respect of an insurer’s rating program for basic coverage or additional coverage for a private passenger vehicle
- (a) direct the Board to approve a proposed increase that would result in the insurer’s rating program exceeding the temporary zero increase threshold, or
  - (b) approve a proposed increase that would result in the insurer’s rating program exceeding the temporary zero increase threshold.
- (3)** Despite section 602(2), the Board may not, in respect of an insurer’s rating program for basic coverage or additional

**4** Private passenger vehicle premium – temporary rate limit.

coverage for a private passenger vehicle, approve a proposed increase that would result in the insurer's rating program exceeding the temporary zero increase threshold.

(4) Despite section 602(3), the Lieutenant Governor in Council may not determine the amount for basic coverage or additional coverage for a private passenger vehicle during the effective period unless the amount is equal to the temporary zero increase threshold.

**5 This Act comes into force on Proclamation.**



**5** Coming into force.





