



Province of Alberta

INSURANCE ACT

ADVERSE CONTRACTUAL ACTION REGULATION

Alberta Regulation 98/2005

With amendments up to and including Alberta Regulation 62/2013

Office Consolidation

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Note

All persons making use of this consolidation are reminded that it has no legislative sanction, that amendments have been embodied for convenience of reference only. The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

(Consolidated up to 62/2013)

ALBERTA REGULATION 98/2005

Insurance Act

ADVERSE CONTRACTUAL ACTION REGULATION

Additional reasons

1(1) In this section,

- (a) “at fault claim” means an at fault claim as defined in Schedule 1 of the Premiums Regulation;
- (b) “driving experience” means driving experience as defined in Schedule 1 of the Premiums Regulation;
- (c) “high-risk driver” means a driver who
 - (i) has at least one at fault claim,
 - (ii) has one or more serious traffic safety convictions, or
 - (iii) has 3 or less years driving experience;
- (d) “Premiums Regulation” means the *Automobile Insurance Premiums Regulation* (AR 124/2004);
- (e) “private passenger vehicle” means a private passenger vehicle as defined in Schedule 1 of the *Automobile Insurance Premiums Regulation* (AR 124/2004);
- (f) “serious traffic safety conviction” means a serious traffic safety conviction as defined in Schedule 4 of the Premiums Regulation.

(2) In addition to the reasons set out in section 555(3)(a) to (f) of the Act, the following are reasons under which adverse contractual action may be taken:

- (a) the insured or the applicant
 - (i) fails to complete the approved application form,
 - (ii) provides false information on the approved application form,
 - (iii) makes any misrepresentation on the application form, or

- (iv) fails to submit any required information required in the approved application form;
 - (b) subject to subsection (3), the insured or the applicant refuses to provide, within the time provided by the insurer, a completed approved vehicle inspection report for a private passenger vehicle that is at least 12 model years old;
 - (c) the insured or an applicant, after having the vehicle report completed, refuses, within 30 days of the report being completed, to repair a component of the vehicle that has been identified in the inspection report as being unsafe;
 - (d) the insurer only insures vehicles that are not private passenger vehicles;
 - (e) in the opinion of the Superintendent, on October 1, 2004, 80% of the policy holders of the insurer are high-risk drivers;
 - (f) the applicant is applying for a contract or a renewal of a contract in respect of a vehicle that is not a private passenger vehicle;
 - (g) the applicant is applying for coverage or an endorsement in respect of a vehicle that is not a private passenger vehicle;
 - (h) the applicant does not hold a valid operator's licence to operate a private passenger vehicle in Canada.
- (3) An insurer may require a policy holder to complete a vehicle inspection report for each vehicle that is 12 model years or older only once every 3 years.

AR 98/2005 s1;62/2013

Expiry

2 For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on April 30, 2015.



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