
BULLETIN NUMBER: 03-2016

TITLE: Insurance Legislation Compliance

DATE: February 2016

PURPOSE:

My office has received a significant number of inquiries and complaints in regard to insurers failing to act in accordance with specific requirements of insurance legislation. The purpose of this bulletin is to remind all insurance companies operating in Alberta of a few of these requirements and the possible consequences of non-compliance.

In many inquiries and complaints, my office commonly finds non-compliance with the following sections of insurance legislation (excerpts of the legislation are attached for your reference):

NON-COMPLIANCE WITH THESE SECTIONS IS AN OFFENCE:

Insurance Act (Act)

- Section 508 – Disclosure of Name – conspicuously set out as in insurer’s license
- Section 523 – Insurer to Furnish Forms – blank proof of loss form
- Section 551 – Approval of Forms – **ALL** automobile insurance forms must be approved

Fair Practices Regulation

- Section 2 – Claims Disclosure – notification of liability
- **Section 3 – Disclosure of Insured’s Right to Choose Service Provider – in writing**
- Section 5.3 – Notice of Limitation Period – notification to defined claimants

Non-compliance with the provisions of the preceding legislation are offences for which an insurer is subject to an administrative penalty of up to \$25,000 for each occurrence of non-compliance, or subject to a prosecution carrying a fine of up to \$200,000.

NOTICE OF DISPUTE RESOLUTION PROCESS:

Fair Practices Regulation

- Section 5.2 – Notice of Dispute Resolution Process – in writing, with copy of section 519 of the Act

My office expects insurers to comply with the provisions of section 5.2 of the Fair Practices Regulation and provide notification as required in the regulation.

I strongly encourage insurers to ensure that all of their staff are aware of the legislation and the possible consequences of non-compliance.