

The "Understanding Alberta's Auto Insurance" guide, published by the Automobile Insurance Rate Board (AIRB), provides essential information for Alberta drivers regarding auto insurance requirements and options. It states that all drivers must have valid auto insurance to register their vehicles, with a minimum coverage of \$200,000 for third-party liability and accident benefits. Key coverages include Accident Benefits, which cover medical expenses and income replacement for injured occupants and pedestrians, and Direct Compensation for Property Damage (DCPD), allowing claims for vehicle damages when not at fault. Third-party liability coverage is also emphasized, covering legal claims for injuries or damages caused to others. Optional coverages such as Collision, Comprehensive, All Perils, and Specified Perils are available, each with associated deductibles, and endorsements can modify standard policies to provide additional protections like Accident Rating Waiver and Family Protection. Exclusions include coverage for home-based business contents and mechanical failures.

The policy outlines the impact of driving convictions on insurance costs, categorizing them as minor, major, or criminal, with potential increases in premiums ranging from 20% to 100%. Most claims require a deductible, which can be adjusted to manage premium costs, and vehicle type significantly influences insurance rates. Discounts may be available for factors such as claim history, driver training, and multi-vehicle policies. Policyholders must inform their insurance representative of any changes in personal circumstances or vehicle usage, and coverage generally extends to travel within Canada and the U.S., with specific requirements for international travel.

Policies renew annually, and policyholders are encouraged to compare rates as insurance companies frequently adjust pricing. In the event of an accident, specific procedures must be followed, including notifying authorities and the insurance company. Coverage for vehicle damage is determined by fault, while personal injury benefits are available regardless of fault. The policy also clarifies terms like accident forgiveness and actual cash value, and it specifies that the insurer is responsible for restoring the vehicle to its pre-accident condition, considering deductibles and

betterment costs.

Demerit points are applied to driving records, with minor offences resulting in two points and serious offences leading to seven points. The policy addresses depreciation, which affects vehicle valuations over time, and encourages discussions with insurance representatives for clarity on exclusions. To initiate a claim, policyholders must submit a First Notice of Loss, and liability insurance covers claims for bodily injury and property damage where the insured is responsible. Misrepresentation can lead to claim denial or policy cancellation.

The policy defines the policyholder as the registered vehicle owner and outlines that premiums are influenced by various factors, including vehicle type and driving history. Proof of insurance is provided through a standard card, known as a Pink Slip, and a Proof of Loss is required for claims. Replacement Cost coverage is available with the appropriate endorsement, allowing for vehicle replacement without depreciation. The policy mandates reporting accidents involving damages exceeding \$2,000 or involving injuries or uninsured drivers, and short rate cancellation fees apply if the policy is canceled before its expiry. The Standard Owners Automobile Policy (SPF 1) details the rights and responsibilities of both the insured and the insurer.

Technologies such as telematics and Usage Based Insurance (UBI) are mentioned as methods to monitor driving behavior, potentially lowering premiums based on safe driving practices. Pay-as-you-go insurance is also available, charging based on distance driven. A total loss occurs when repair costs exceed the vehicle's Actual Cash Value (ACV), and the insurer reserves the right to declare a vehicle a total loss based on various factors. Underwriting practices assess risk to determine coverage eligibility, and vehicle repairs will be covered based on the lesser of the ACV or repair costs. A Waiver of Depreciation endorsement may be available for new vehicles, ensuring reimbursement at the purchase price or MSRP in the event of a total loss.