



Province of Alberta

INSURANCE ACT

CLASSES OF INSURANCE REGULATION

Alberta Regulation 144/2011

With amendments up to and including Alberta Regulation 159/2014

Office Consolidation

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(Consolidated up to 159/2014)

ALBERTA REGULATION 144/2011

Insurance Act

CLASSES OF INSURANCE REGULATION

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Interpretation

1(1) In this Regulation,

- (a) “accident and sickness insurance” means insurance
 - (i) against loss resulting from bodily injury to, or the death of, a person caused by an accident,
 - (ii) under which an insurer undertakes to pay a certain sum or sums of insurance money in the event of bodily injury to, or the death of, a person caused by an accident,
 - (iii) against loss resulting from the sickness or disability of a person, excluding loss resulting from an accident or death,
 - (iv) under which an insurer undertakes to pay a certain sum or sums of insurance money in the event of the sickness or disability of a person not caused by an accident, or
 - (v) under which an insurer undertakes to pay insurance money in respect of the health care, including dental care and preventative care, of a person;
- (b) “aircraft insurance” means insurance against

- (i) liability arising out of bodily injury to or the death of a person or the loss of or damage to property, in each case caused by an aircraft or the use of an aircraft, or
 - (ii) the loss of, the loss of use of or damage to an aircraft;
- (c) “automobile insurance” means insurance
- (i) against liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, in each case caused by an automobile or the use or operation of an automobile,
 - (ii) against the loss of, the loss of use of or damage to an automobile, or
 - (iii) that falls within clause (a)(i) or (ii) of the definition of accident and sickness insurance, if the accident is caused by an automobile or the use or operation of an automobile, whether or not liability exists in respect of the accident, and the policy includes insurance against liability arising out of bodily injury to or the death of a person caused by an automobile or the use or operation of an automobile;
- (d) “boiler and machinery insurance” means insurance
- (i) against liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, or against the loss of or damage to property, in each case caused by the explosion or rupture of or accident to pressure vessels of any kind or pipes, engines and machinery connected to or operated by those pressure vessels, or
 - (ii) against liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, or against the loss of or damage to property, in each case caused by a breakdown of machinery;
- (e) “credit insurance” means insurance against loss to a person who has granted credit if the loss is the result of the insolvency or default of the person to whom the credit was given;
- (f) “credit protection insurance” means insurance under which an insurer undertakes to pay off credit balances or debts of an individual, in whole or in part, in the event of an impairment or potential impairment in the individual’s income or ability to earn an income;

- (f.1) “deposit protection insurance” means insurance against the loss of a deposit paid to a residential builder or developer for the construction or reconstruction of a new home or for the purchase of land;
- (g) “equipment warranty insurance” means the subclass of boiler and machinery insurance that comprises insurance against loss of or damage to a motor vehicle or to equipment arising from its mechanical failure, but does not include automobile insurance or insurance incidental to automobile insurance;
- (h) “fidelity insurance” means insurance
 - (i) against loss caused by the theft, the abuse of trust or the unfaithful performance of duties by a person in a position of trust, or
 - (ii) under which an insurer undertakes to guarantee the proper fulfilment of the duties of an office;
- (i) “hail insurance” means insurance against the loss of or damage to crops in the field caused by hail;
- (i.1) “home completion insurance” means insurance against the default of a residential builder to complete the construction or reconstruction of a new home;
- (i.2) “home warranty insurance” means insurance against defects in the construction of a new home and consequential losses or costs incurred by the owner;
- (j) “legal expenses insurance” means insurance against the costs incurred by a person or persons for legal services specified in the policy, including any retainer and fees incurred for the services, and other costs incurred in respect of the provision of the services;
- (k) “liability insurance” means insurance, other than insurance that falls within another class of insurance,
 - (i) against liability arising out of bodily injury to or the disability or death of a person, including an employee,
 - (ii) against liability arising out of the loss of or damage to property, or
 - (iii) if the policy includes the insurance described in subclause (i), against expenses arising out of bodily injury to a person other than the insured or a member

of the insured's family, whether or not liability exists;

- (l) "life insurance"
 - (i) means any insurance that is payable
 - (A) on death,
 - (B) on the happening of an event or contingency dependent on human life,
 - (C) at a fixed or determinable future time, or
 - (D) for a term dependent on human life,
 - and
 - (ii) without restricting the generality of subclause (i), includes
 - (A) insurance under which an insurer, as part of a contract of life insurance, undertakes to pay an additional sum of insurance money in the event of the death by accident of the person whose life is insured,
 - (B) insurance under which an insurer, as part of a contract of life insurance, undertakes to pay insurance money or to provide other benefits in the event that the person whose life is insured becomes disabled as a result of bodily injury or disease, and
 - (C) an undertaking to provide an annuity, or what would be an annuity except that the periodic payments may be unequal in amount, for a term dependent solely or partly on the life of a person;
- (m) "marine insurance" means insurance against
 - (i) liability arising out of
 - (A) bodily injury to or the death of a person, or
 - (B) the loss of or damage to property,
 - or
 - (ii) the loss of or damage to property,

occurring during a voyage or marine adventure at sea or on an inland waterway, or during a delay or a transit other than by water that is incidental to a voyage or marine adventure at sea or on an inland waterway;

- (n) “mortgage insurance” means insurance against loss caused by default on the part of a borrower under a loan secured by a mortgage or charge on or other security interest in real property;
- (n.1) “new home” has the same meaning as in section 1(1)(s) of the *New Home Buyer Protection Act*;
- (o) “other approved products insurance” means insurance against risks that do not fall within another class of insurance;
- (o.1) “owner” has the same meaning as in section 1(1)(t) of the *New Home Buyer Protection Act*;
- (p) “product warranty insurance” means insurance not incidental to any other class of insurance against loss of or damage to personal property other than a motor vehicle under which an insurer undertakes to pay the costs of repairing or replacing the personal property;
- (q) “property insurance” means insurance against the loss of or damage to property and includes insurance against loss caused by forgery;
- (q.1) “reconstruction” has the same meaning as in section 1(1)(z) of the *New Home Buyer Protection Act*;
- (q.2) “residential builder” has the same meaning as in section 1(1)(dd) of the *New Home Buyer Protection Act*;
- (r) “surety insurance” means insurance under which an insurer undertakes to guarantee the due performance of a contract or undertaking or the payment of a penalty or indemnity for any default;
- (s) “title insurance” means insurance against loss or damage caused by
 - (i) the existence of a mortgage, charge, lien, encumbrance, servitude or any other restriction on real property,
 - (ii) the existence of a mortgage, charge, lien, pledge, encumbrance or any other restriction on personal property,

- (iii) a defect in any document that evidences the creation of any restriction referred to in subclause (i) or (ii),
 - (iv) a defect in the title to property, or
 - (v) any other matter affecting the title to property or affecting the right to the use and enjoyment of property;
- (t) “travel insurance” means, subject to subsection (3), insurance provided to an individual
- (i) in respect of a trip by the individual away from the place where the individual ordinarily resides, without any individual assessment of risk, against
 - (A) loss that results from the cancellation or interruption of the trip,
 - (B) loss of or damage to personal property that occurs while on the trip, or
 - (C) loss that is caused by the delayed arrival of personal baggage while on the trip,
- or
- (ii) in respect of a trip by the individual away from the province in which the individual ordinarily resides,
 - (A) against expenses incurred while on the trip that result from an illness or the disability of the individual that occurs on the trip,
 - (B) against expenses incurred while on the trip that result from bodily injury to, or the death of, the individual caused by an accident while on the trip,
 - (C) whereby the insurer undertakes to pay one or more sums of money in the event of an illness or the disability of the individual that occurs on the trip, or of bodily injury to or the death of the individual that is caused by an accident while on the trip,
 - (D) against expenses incurred by the individual for dental care necessitated by an accident while on the trip, or
 - (E) in the event that the individual dies while on the trip, against expenses incurred for the return of

that individual's remains to the place where the individual was ordinarily resident before death, or for travel expenses incurred by a relative of that individual who must travel to identify that individual's remains.

(2) An undertaking referred to in subsection (1)(1)(ii)(C) is deemed always to have been life insurance.

(3) The definition of travel insurance applies only in respect of insurance agents and adjuster licensing.

AR 144/2011 s1;225/2013

Classes of insurance

2 The following are the classes of insurance for the purposes of the Act and the regulations:

- (a) accident and sickness insurance;
- (b) aircraft insurance;
- (c) automobile insurance;
- (d) boiler and machinery insurance;
- (e) credit insurance;
- (f) credit protection insurance;
- (f.1) deposit protection insurance;
- (g) equipment warranty insurance;
- (h) fidelity insurance;
- (i) hail insurance;
- (i.1) home completion insurance;
- (i.2) home warranty insurance;
- (j) legal expenses insurance;
- (k) liability insurance;
- (l) life insurance;
- (m) marine insurance;
- (n) mortgage insurance;

- (o) other approved products insurance;
- (p) product warranty insurance;
- (q) property insurance;
- (r) surety insurance;
- (s) title insurance;
- (t) travel insurance.

AR 144/2011 s2;225/2013;159/2014

Licences

3 A licence may be granted to an insurer to carry on any of the classes of insurance referred to in section 2.

4 *(This section amends AR 122/2001. The amendments have been incorporated into that regulation.)*

Repeal

5 The *Classes of Insurance Regulation* (AR 121/2001) is repealed.

Expiry

6 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, 2020.

Coming into force

7 This Regulation comes into force on the coming into force of section 29 of the *Insurance Amendment Act, 2008*.



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