

Vehicle Insurance Requirements

The Alberta *Insurance Act* requires all vehicle owners to hold a valid insurance policy that provides minimum coverage for three types of benefits, as shown below. Vehicle owners can also purchase optional coverage for losses not covered by the mandatory policies.

Mandatory Coverage			
	Accident Benefits*	Third Party Liability*	Direct Compensation for Property Damage
Coverage Provided	Compensation for the driver and passengers of the owner’s vehicle, as well as any pedestrians, injured or killed in a collision.	Damages for injuries to other persons or their properties (e.g. occupants of another involved vehicle) when the owner is sued for an at-fault collision.	Costs of repairing the owner’s vehicle for damages arising from a not-at-fault collision.
Optional Coverage			
	Collision	Comprehensive	Glass
Coverage Provided	Costs of repairing damages to the owner’s vehicle for at-fault collisions.	Costs of repairing damages to the owner’s vehicle caused by events other than collisions.	Costs of repairing damage to vehicle glass.

*In the event a vehicle owner has not obtained the required insurance, or if that insurance is void, persons who otherwise would have been entitled to injury damages from the owner’s insurance under these benefit categories can receive compensation through the provincial Motor Vehicle Accident Claims program.

Other Insurance Products

Commercial General Liability

If a business owns vehicles as part of its operations, it must purchase the mandatory vehicle insurance shown above. That insurance provides coverage for the benefits listed, and as a result vehicle-related losses are often excluded from general liability policies unless it is related to non-owned vehicles.

General liability policies can provide coverage in situations that don’t directly relate to vehicle collisions, such as a contractor breaking a window while completing other repairs, if the affected person can prove that the policy holder

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was negligent in their actions. If the policy holder was not negligent, a liability policy will not provide coverage.