

C81: General Insurance Essentials—Part 1

C82: General Insurance Essentials—Part 2

Addendum—January 2020

(To be used with 2018 editions of the texts.)

The following is a list of updates since the last printing of the text, including Newfoundland and Labrador's shift from a tort-based system to a direct compensation system as of January 1, 2020.

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Study 4

Page	Section	Update
4-19	Methods and Types Reinsurance	The text currently says that reinsurance methods are proportional and non-proportional and reinsurance types are treaty and facultative. This should be reversed: types are proportional and non-proportional and methods are treaty and facultative.

Study 6

Page	Section	Update
6-4	Agreement	Change "offer" to "offeror" in the third bullet of number 2 in this section: <ul style="list-style-type: none"> Made in the manner required by the offer—otherwise there are cases where the offeror would not be bound by the acceptance
6-26	Assignment of Insurance Contracts	Add to the end of the first paragraph of this section: Insurers consenting to the assignment of contracts is very rare but may occur when the insured dies and the contract is transferred "in trust."
6-27	Assignment of Insurance Contracts with Consent	Delete this section.

Study 10

Page	Section	Update
10-6	Provincial and Territorial Control	Add Newfoundland and Labrador and Prince Edward Island to the third bullet of the list in this section: <ul style="list-style-type: none"> The operations of insurance adjusters—all independent adjusters must be licensed. Salaried insurance company adjusters need not be licensed except in New Brunswick, Newfoundland and Labrador, Prince Edward Island, and Quebec. In the event of any irregular or improper practices, the provincial or territorial regulator may take disciplinary action against independent adjusters by cancelling their licences and against staff adjusters by taking appropriate action against the insurance companies that employ them.

10-14	Termination of Insurance	In last bullet of this section, add “premium” after “short-term rate”: <ul style="list-style-type: none"> • Termination by insured—insureds may terminate the contract at any time on request and will be refunded any excess premium that was paid over the short-term rate premium for the expired time.
10-16	Action	Add to the end of the paragraph: (In British Columbia, action must also be commenced in two years, but this is specified in the <i>Limitation Act</i> , not in the fire statutory conditions.)

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Study 1

Page	Section	Update
1-7	Evolution of Direct Compensation–Property Damage (DCPD) Coverage	Add Newfoundland and Labrador to the second sentence of the first paragraph in this section: Similar direct compensation for vehicle damage came into effect in New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island at later dates.
1-12	Provinces and Territories with Private Insurance Schemes	Add Newfoundland and Labrador to the last bullet in the list: <ul style="list-style-type: none"> • Direct Compensation–Property Damage (in New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island)
1-12	Saskatchewan	Change the last sentence of the second paragraph of this section: There is a separate system based on accumulated driving points where hazardous drivers are assessed fines and are not permitted to transact with SGI (registration, insurance, or licence) without the fines first being paid.
1-13	Saskatchewan	Replace the last bullet of the list in this section (top of page): <ul style="list-style-type: none"> • Physical damage coverage (called comprehensive insurance in Saskatchewan but comparable to all perils in other jurisdictions)—covers basic amounts of loss or damage to the automobile and is subject to a deductible

Study 2

Page	Section	Update
2-3	Introduction	Change the first sentence of the second paragraph in this section: In provinces without government insurance schemes, if they are convicted of driving without valid automobile insurance, their insurance company may consider them “high-risk” drivers and charge them higher premiums or refuse to sell them insurance altogether.
2-8	Accident Benefits	Change the third sentence of the second paragraph in this section: In Ontario and Saskatchewan, lawsuits are permitted in certain situations.
2-12	No-Fault Benefits	Change the first sentence of the second paragraph in this section: All provinces except Alberta, British Columbia, and Newfoundland and Labrador have passed legislation that prohibits or severely limits liability lawsuits against third parties for injuries arising out of automobile accidents caused by negligence.

2-14	Exhibit—Tort and No-Fault Across Canada	In the exhibit: Move British Columbia under Tort Move Newfoundland and Labrador under No-Fault
2-15	Direct Compensation–Property Damage Coverage	Replace the paragraph under the Example box: Direct compensation systems are in place in New Brunswick, Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Ontario, and Quebec.
2-16	Comprehensive	Change the last sentence of the first paragraph in this section: It should be noted that collision with a live animal is usually covered under the Comprehensive section rather than the Collision section, while collision with a dead animal is insured under Collision.
2-23	Summary	Add Newfoundland and Labrador to the list of DCPD provinces in the paragraph at the top of the page.

Study 3

Page	Section	Update
3-13	Automobile Storage	Replace the last bullet of this section: • Direct Compensation–Property Damage (DCPD) coverage for those jurisdictions where this coverage is mandated
3-18	Vehicle Use	Change the third sentence of the first paragraph in this section: For some insurers, the expression “pleasure use” is considered to include transportation to and from the insured’s place of business; for others, “pleasure use” does not allow the insured to use the vehicle as transport to and from work.

Study 5

Page	Section	Update
5-8	Loss Assessment Coverage	Change the second-last sentence in the paragraph above the Example box: Generally, assessments made necessary by a deductible on the condominium corporation’s insurance policy are not covered, although some insurers will provide this coverage for an additional premium.