

Direct Compensation For Property Damage (DCPD) Insurance

FAQ

1 What Is Direct Compensation for Property Damage (DCPD) Insurance?

DCPD is a change in the way vehicle damage claims following accidents are treated in Alberta. Under DCPD, your own insurance company pays for repairs to your vehicle when you are not at-fault for an accident, not someone else's. This allows for a more efficient and customer-focused claims process.

Importantly, DCPD does not change your automobile coverage, only who pays for the damage.

2 Why is Alberta moving to DCPD?

DCPD is a fairer and more efficient approach to insurance claims and vehicle repairs, and is already used in most provinces in Canada. Under DCPD, damages to your vehicle will be repaired faster and without the delays and complications that can arise when dealing with another driver's insurer.

DCPD reduces costs associated with subrogation – the process insurers use to determine who pays for a claim following an accident. Along with other reforms, it will help stabilize premiums for the long term.

3 Do I need to do anything?

Vehicle owners won't have to do anything when DCPD begins in 2022. The only difference is when you are involved in a collision, you work with your own insurer – not someone else's – if your vehicle is damaged.

4 What impact will DCPD have on insurance premiums?

DCPD better aligns insurance premiums with the costs associated with repairs for a vehicle. This means that, typically, **owners of less expensive vehicles that cost less to repair will pay less for their insurance**. Similarly, owners of more expensive vehicles that cost more to repair may pay more. It's a fairer system for everyone.

Under DCPD, 42% of drivers will see a reduction in their premiums and roughly 15% will see no change. An estimated 34% of drivers will see an increase in their premiums between 0% and 5%.

Under DCPD, insurers will better take into account the year, make and model of a vehicle in their premiums, as well as how likely it is that it will be involved in a collision and how expensive it will be to fix.

5 Can I ask for a DCPD deductible to lower the price of my insurance?

All insurers are required by law to offer DCPD coverage without a deductible. That said, some insurers also offer a DCPD deductible to help lower premiums for drivers. Ask your insurance representative what options are available for you.

6 What if I'm at-fault in an accident?

After a collision, regardless of fault, under DCPD you will only deal with your own insurance company during the claims process for vehicle damages. Similar to today's system, collision coverage for your vehicle if you are at-fault will remain an optional purchase. Also as with today, at-fault claims may impact your premium.

7 Who will determine who is at-fault for a collision?

Fault for vehicle collisions will be allocated using the [DCPD Fault Determination Rules](#). For unique or complex situations that do not fall under these collision scenarios, fault would continue to be allocated according to [the ordinary rules of law as they pertain to negligence](#).

Consumers who disagree with the determination of fault for an accident will continue to have access to the same options available today, including each insurer's [Ombudsperson/consumer complaints](#) and the [General Insurance OmbudService](#).

8 Will I still need to purchase collision coverage?

You still need to purchase collision coverage if you would like at-fault damages to your vehicle to be covered by your insurer. DCPD only applies for not at-fault accidents.

9 What if I am injured in a collision?

DCPD is specific to vehicle damages, contents and loss of use of your vehicle. DCPD does not impact a consumer's right to sue for other damages, like injuries, under the existing tort system.

10 What if I disagree with the amount of vehicle damages from my insurance company?

DCPD does not change the existing process for discrepancies on vehicle damages. Reach out to your insurance adjuster first to outline the issues and work with them on resolving the problems. If that does not work, there are several avenues to pursue to address the concerns, including the [Dispute Resolution Process](#).

11 Do any other provinces in Canada have DCPD?

DCPD is in place in Ontario, Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island and Quebec. Other provinces (British Columbia, Saskatchewan and Manitoba) have similar provisions for vehicle damages.

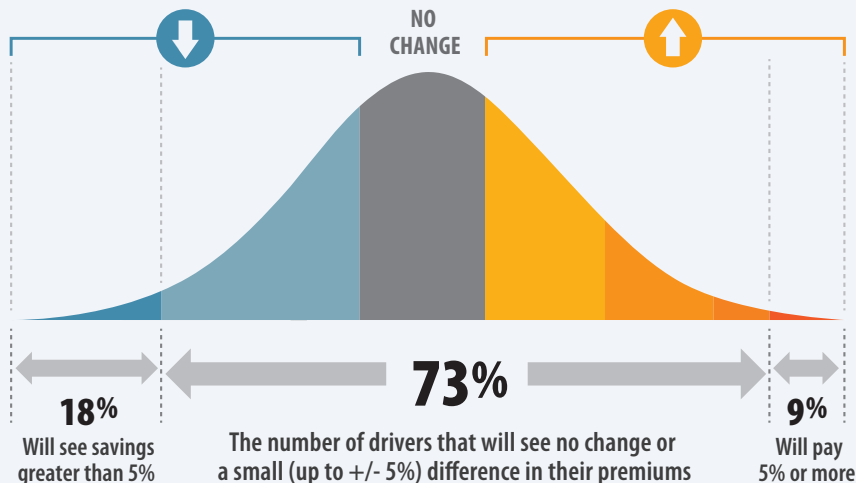
12 What if I get into a collision in another province? Will DCPD apply?

Since other jurisdictions across Canada have similar DCPD provisions for vehicle damages, if you are involved in a collision in another province, contact your own insurance company to start the process. Your insurance representative will provide you with further information and direction.

13 Are there any types of vehicles that DCPD does not apply to?

No, all private passenger, recreational and commercial vehicles will be included under DCPD.

How DCPD will impact Premiums



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