

**Canadian Council of Insurance Regulators (CCIR)
News Release**

**INSURANCE REGULATORS LAUNCH NEW WEBSITE
*WWW.CCIR-CCRRA.ORG***

Toronto – (March 26, 2002) -The Canadian Council of Insurance Regulators (CCIR) has launched its new website which will allow easier access to information for stakeholders and CCIR members.

Winston Morris, Chair of the CCIR and Superintendent of Insurance for Newfoundland and Labrador, welcomed the new website. “Communication among stakeholders and members of CCIR is the key to our success. This new website will allow us to improve the flow of information.”

In response to calls by stakeholders for easier access to a list of insurers who have signed a Power of Attorney and Undertaking or PAU, CCIR has included this as a significant feature on its new site.

The list includes the out-of-country insurers that have agreed to abide by certain conditions in the event of an automobile accident in Canada. In particular, these insurers have agreed that they will not raise defences that are not permitted in the Canadian jurisdiction where the accident has occurred and that they will meet Canadian compulsory liability insurance requirements.

A backgrounder with details of the PAU is attached.

Other information available on the new website includes: current issues of the CCIR newsletters, press releases and strategic plans. “The CCIR is working to improve harmonization in insurance regulation across Canada, and there is a great deal of information being generated,” said Mr. Morris. “We consider it a priority that this information be made available to stakeholders.”

The Canadian Council of Insurance Regulators (CCIR) is an inter-jurisdictional association of regulators of insurance. Its mandate is to facilitate and promote an effective regulatory system in Canada to serve the public interest. CCIR works cooperatively with other financial services regulators to enhance consumer protection and to develop and harmonize insurance regulation across jurisdictions.

- 30 -

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Canadian Council of Insurance Regulators (CCIR) Backgrounder

POWER OF ATTORNEY AND UNDERTAKINGS (PAU)

Purpose of Repository

The movement of automobiles from a jurisdiction in which a motor vehicle liability insurance policy is issued, to another jurisdiction with higher minimum liability requirements and in which the insurer may not be licensed or authorized to do business, necessitates a scheme whereby insurance from one jurisdiction is enforceable in another. The minimum liability insurance requirement in all Canadian jurisdictions is CDN\$200,000 except Quebec where it is CDN\$50,000.

Automobile insurers whose policyholders drive their private passenger vehicles in a Canadian jurisdiction in which the insurer is not licensed or authorized to do business are required to file, with the designated repository in Canada (“Repository”), a Canada Non-Resident Inter-Province Motor Vehicle Liability Insurance Power of Attorney and Undertaking (“PAU”).

The PAU appoints the Superintendent of Insurance in the province or territory in which a motor vehicle accident has occurred to accept service of notice or process on its behalf. The PAU also includes these undertakings by the insurer: (1) to make an appearance with respect to litigation brought against it in a Canadian court and to serve the insured with notice of that action; (2) not to raise defences not permitted in the jurisdiction where the action has been brought; and (3) to pay liability claims up to at least the minimum liability requirements of the Canadian jurisdiction in which the action is commenced.

The Repository maintains a file of all original PAU’s. Copies of the documents are made available upon request to interested parties. There is no mechanism in place to enforce filing by an insurer, and, at the request of the insurer, the PAU can be revoked in a jurisdiction.

There are other financial responsibility filing requirements that must be met for commercial vehicles and insurers must contact the appropriate authorities in each jurisdiction for the necessary filing information.

CCIR

Background

Since 1964, the office of the Superintendent of Financial Institutions for the Province of British Columbia has acted as the national repository for the PAU. This form is filed primarily by foreign insurers incorporated in the United States. The national PAU repository presently has on file over 1,650 PAU forms that have been filed by property and casualty insurers in Canada and the United States.

The Canadian Council of Insurance Regulators (“CCIR”) is an inter-jurisdictional association of insurance regulators that facilitates and promotes an effective regulatory system in Canada to serve the public interest. CCIR has recently adopted their first strategic plan. On May 8, 2000, CCIR announced the establishment of a permanent Secretariat to help carry out its new strategic plan. It was agreed by the members of the CCIR to transfer the responsibility for the Repository to the Secretariat.

Canadian
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Conseil
canadien
des responsables
de la réglementation
d'assurance