



Communiqué

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Electronic Proof of Automobile Insurance

Background

The Canadian Council of Insurance Regulators (CCIR) Electronic Commerce Committee (ECC) coordinated efforts to implement electronic proof of automobile insurance (EPAI) across Canada. This initiative ties directly to CCIR's 2014-2017 and 2017-2020 strategic plans to partner with industry stakeholders to identify opportunities for harmonization between jurisdictions.

The ECC took a collaborative approach, involving relevant industry stakeholders such as transportation officials, police, industry associations, insurers and privacy commissions, to understand how this initiative could affect them.

Research and Consultation

In May 2016, the ECC released the [Electronic Proof of Automobile Insurance Project Issues Paper](#) (link). It provided a high-level scan of the current legislative and regulatory requirements within each jurisdiction, and concluded that insurance regulators have the legal capacity to authorize EPAI delivery. The release also invited stakeholder feedback.

Stakeholder Feedback

Insurance companies and industry associations provided feedback on the paper. All initial responses were positive and supported CCIR members moving forward with the implementation of the EPAI in Canada.

However, concerns were raised later about operational issues regarding privacy, liability and other issues that could arise if insurance regulators approve EPAI.

The most pressing privacy issue brought forward was the ability of law enforcement to access information other than EPAI during an inspection.

Identified liability issues included the damage of an electronic device during an inspection.

Other identified challenges included:

- travelling in jurisdictions that do not allow EPAI;
- device malfunctions where EPAI cannot be produced (e.g. network access, loss of power); and
- proof of insurance when the vehicle is loaned to a third party.

CCIR Position

Given today's advanced digital marketplace, the CCIR recommends that EPAI be made available in Canada, alongside the traditional paper proof of insurance.

The ECC worked towards a harmonized implementation of EPAI, but recognized that in some jurisdictions there are challenges that need to be addressed before moving forward. In particular, jurisdictions must work with their partners to ensure operational concerns identified during the stakeholder feedback are satisfied. Those who are able to move forward are encouraged to do so, if they have not done so already.

Consequently, the ECC has concluded its work regarding the introduction of optional electronic proof of insurance in Canada.