



US Agrees to Canadian Insurance, with Savings for Canadian Carriers – Thanks to BCTA

Almost a decade ago, a two-truck BCTA member operator in Grand Forks complained to BCTA about additional, unnecessary costs of about \$100 per year for the US to accept his ICBC insurance policy because of a US Federal Motor Carrier Safety Administration (FMCSA) requirement that only recognizes state policies or bonds.

His question was: why did ICBC, a large, government-backed corporation, have to “provide evidence of financial responsibility” through a US fronting agency to vouch for its insurance? And why should Canadian carriers have to absorb the additional costs for filing when US carriers’ policies were accepted at face value in Canada? BCTA couldn’t see the logic either. With dogged persistence, we put and kept this issue on the table, first with ICBC, then the Canadian Trucking Alliance (CTA), and finally, through CTA, with the Government of Canada. As a result, Canada formally petitioned FMCSA in 2006 for a rulemaking to accept Canadian-issued insurance policies for Canadian-based carriers, without any involvement from US-licensed insurers.

During that time period, filing costs increased to \$500 to register and \$500 annually thereafter.

It has been a long process, but BCTA advocacy succeeded. FMCSA issued a final rule on July 2, 2010, that recognizes legally authorized insurance from any Canadian province or territory, effective **August 2, 2010**.

The final rule goes beyond what BCTA originally requested in that it recognizes any Canadian insurance company and not just Crown Corporations, such as ICBC, Manitoba Public Insurance and Saskatchewan Government Insurance. Minimum levels of financial responsibility coverage for all motor carriers have not changed. ICBC is in the process of studying the impact of this amendment on its processes and costs. BCTA will report the results as soon as we receive information.

For the (almost) full denouement of this story, see the US *Federal Register* article: <http://edocket.access.gpo.gov/2010/pdf/2010-16009.pdf>

This milestone is another example of an initiative that began with a BCTA member request. BCTA is here to help our motor carrier members reduce red tape.