

FACILITY ASSOCIATION

TO: All Agents and Brokers

BULLETIN NO.: CDA.AGCY.2005-01

DATE: September 2, 2005

SUBJECT: APPLICANTS WHO ARE MINORS

From time to time, applications in a child's name have been submitted to Servicing Carriers. This causes some concern as we understand such applications may not result in a legally binding contract and, as a result, individuals may be driving without insurance.

Each jurisdiction has its own age requirements for registering various types of vehicles. These should not be confused with the age requirements for entering into an automobile insurance contract.

Facility Association through its Servicing Carriers will follow this approach:

- In situations where vehicles are registered to a minor, but the minor is neither the actual owner nor the operator, FA will not accept these applications. If submitted, they will be rejected and returned. You should ensure that the actual owner completes and signs the application. The ownership, driving and experience of the actual owner and/or operator determine the rating of the risk.
- For minors who are the registered owner as well as the actual owner and operator, if they are 16 years old or older, their applications will not be rejected because of their age. (They are considered to have the capacity of an adult.) If they are under 16 years old, FA will not accept these applications. (They cannot enter into an insurance contract.) If submitted, they will be rejected and returned with no coverage provided.

This bulletin is being distributed by Servicing Carriers, to whom all enquiries should be addressed.