

TO: All Agents and Brokers (ALL CANADA)

BULLETIN NO.: ALL.AGCY 2025-01

DATE: May 8, 2025

SUBJECT: 2025 Active Weather Season Reminder: Suspension of Binding Authority

With the onset fast-paced and changing weather across Canada, Facility Association requests Agents and Brokers do not bind optional physical damage coverage on vehicles that may be subject to a General Catastrophe. Specifically:

- a) **On Existing Policies:** Optional Physical Coverage cannot be increased, added or bound on any vehicle in immediate vicinity of a general catastrophe, as risks are in imminent danger of a loss.
- b) **On New Policies:** No binding authority for Optional Physical Damage Coverage on a vehicle located in immediate vicinity of a general catastrophe, as vehicles are in imminent danger of loss.

If there is any doubt about the proximity of a vehicle to a General Catastrophe, Agents and Brokers are not to bind physical damage coverage.

A General Catastrophe is defined as:

Earthquake: Magnitude 3.0 or greater on the Richter scale and a risk is located within 100 km of the epicentre

Forest Fires and Wildfires: Any risk located within 50km of an active fire zone as defined by the local government/authority, including areas under evacuation or notice

Hurricanes, Flood and Tornado: Any risk located within a watch or warning area defined by Environment Canada, the Canadian Hurricane Centre or any area located along the Canadian Coastline.

Facility Association will continue to issue targeted binding authority suspension notifications where suspension start and stop times, as well as geographic area can be clearly defined in advance.