

TO: All Agents and Brokers (Alberta)

BULLETIN NO.: AB.AGCY 2025-01

DATE: November 4, 2025

SUBJECT: Changes to FARM Private Passenger Vehicle Eligibility

Facility Association is implementing changes to the eligibility criteria applicable to the placement of Private Passenger Vehicles in Alberta, effective January 1, 2026 (new business) and February 1, 2026 (renewals).

Summary of Key Changes:

- **Eligibility for Section C Coverage:** Rule 107 has been created to clarify eligibility for risks requiring Section C (Optional Physical Damage) coverage. Risks are now eligible for placement in the Residual Market if Section C coverage is declined by a voluntary market auto insurer.
 - A Declaration Letter indicating the decline of Section C coverage must be submitted with new business applications and at each renewal. The letter must include specific details and be dated within 30 days of the effective date of coverage.
 - For renewals, a new Declaration Letter is required each term, confirming the insured has been declined for Section C coverage by a voluntary market insurer.
- **Entry Criteria for Facility Association:** Rule 100.A.1 now includes that risks not meeting the definition of a residual market risk as defined in Rule 107 are not eligible for entry.
- **Coverage Amendments for Leased Vehicles or Lienholders:** Rule 127.C has been updated. If optional physical damage coverage is amended or deleted on a leased vehicle or one with a lienholder, the Servicing Carrier must notify the lessor or lienholder.
 - If a Declaration Letter is received and coverage is amended or removed, the risk may be lapsed on renewal.

A summary of the rule changes is attached to the Manual Bulletin on the [Facility Association website](#).

The Section C – Declaration form is available for download in the [Forms](#) section of the Facility Association website.

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