



Manual of Rules and Rates ALBERTA

Interurban Telematics Rule Change Effective February 1, 2026 (New Business and Renewals)

Effective February 1, 2026, Facility Association is implementing important updates to the Commercial section of the Rates & Rules Manual for Interurban Vehicles in Alberta:

Summary of Key Changes:

Broadened Eligibility for Video Telematics Discount: Interurban Vehicles equipped with OBD-II
port-connected telematics devices—installed by either Approved Providers or third-party
providers—may qualify for the video telematics discount.

Additional Updates:

- The discount is now based on the radius the vehicle travels, rather than the vehicle classification on the policy.
- The discount can now apply to participating vehicles; not all listed vehicles are required to participate to qualify.

A detailed summary of the rule change is attached to following this bulletin.

The Facility Association website www.facilityassociation.com has been updated with this information.

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

Rule Current Wording Approved Wording Change from Premium
Current impact on
existing
policies

COMMERCIAL SECTION

Rule 210:

Interurban Vehicles with Video Telematics Where a Interurban Vehicle has an OBD-II Port connected telematics device with video recording and retrieval capability installed in the vehicle from an Approved Provider allowing for the continuous monitoring of driving behavior, is eligible for the following:

Tier	Description	Discount
Tier 1	Driver/Vehicle monitoring Service	7%
Tier 2	Driver/ Vehicle monitoring service and Personalised Driver Coaching	15%

The discount is applicable to all coverages.

Conditions:

- The discount is applicable at New Business or Renewal:
- All listed Interurban vehicles must be fitted with video telematics device from Approved Provider and the device must be kept in good working order;
- All listed Interurban vehicle Operators must be enrolled as drivers in the video telematics service;
- Facility Association Servicing Carriers will verify enrollment and type of service subscribed to at the time of New Business and each subsequent Renewal. The discount will be removed if service

Where an Interurban Vehicle has an OBD-II Port connected telematics device with video recording and retrieval capability installed in the vehicle from an Approved Provider or third-party, allowing for the continuous monitoring of driving behavior by an Approved Provider, is eligible for the following:

Tier	Description	Discount
Tier 1	Driver/Vehicle monitoring Service	7%
Tier 2	Driver/ Vehicle monitoring service and Personalised Driver Coaching	15%

The discount is applicable to all coverages.

Conditions:

- The discount is applicable at New Business or Renewal:
- All listed Interurban vehicles must be fitted with video telematics device from Approved Provider and the device must be kept in good working order:
- The discount is based on the radius the vehicle travels, not the vehicle classification applied on the policy:
- Interurban vehicles fitted with video telematics devices will be eligible for the discount. Equipment must be kept in good working order;
- All listed Interurban vehicle Operators must be enrolled as drivers in the video telematics service;
- Interurban vehicle Operators must be listed on the policy and enrolled in the video telematics service;
- Facility Association Servicing Carriers will verify enrollment and type of service subscribed to at the time of New Business and each subsequent Renewal. The discount will be removed if service enrolment cannot be verified with the Approved Provider

Broadens
Discount
eligibility to
allow the use
of telematics
equipment
installed by
Third-Party
providers

Also broadens discount eligibility to allow their application to partial fleets

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 210: Interurban Vehicles with Video Telematics	 enrolment cannot be verified with the Approved Provider Drivers will cease to be eligible for the Video Telematics Discount in the event that they fail to significantly improve their Telematics Score within three (3) years of the initial enrollment. If Video Telematics services are discontinued by the Approved Provider, the discount will be removed effective Renewal "Significant Improvement" is defined as moving up by two (2) quartiles in the overall score ranking as measured by the video-telematics safety score. (ex, from 4th quartile to 2nd quartile, or from 3rd quartile to the 1st quartile) OR the video-telematics safety score places a driver in the 1st quartile for minimum 9-consecutive months. Note: Data will be collected on the distance (number of kilometers) driven across provinces and in the United States. In the event that the information received differs from how the policy is rated, the policy will be amended on renewal. 	 Drivers will cease to be eligible for the Video Telematics Discount in the event that they fail to significantly improve their Telematics Score within three (3) years of the initial enrollment. If Video Telematics services are discontinued by the Approved Provider, the discount will be removed effective Renewal "Significant Improvement" is defined as moving up by two (2) quartiles in the overall score ranking as measured by the video-telematics safety score. (ex, from 4th quartile to 2nd quartile, or from 3rd quartile to the 1st quartile) OR the video-telematics safety score places a driver in the 1st quartile for minimum 9- consecutive months. Note: Data will be collected on the distance (number of kilometers) driven across provinces and in the United States. In the event that the information received differs from how the policy is rated, the policy will be amended on renewal. 	Broadens Discount eligibility to allow the use of telematics equipment installed by Third-Party providers	Also broadens discount eligibility to allow their application to partial fleets



October 2025

Manual of Rules and Rates ALBERTA

Private Passenger Vehicle Rule Changes Effective January 1, 2026 (New Business), February 1, 2026 (Renewals)

Facility Association is implementing several updates to the Private Passenger Vehicle section of the Rates & Rules Manual for new business and renewals 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 updated 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.

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FACILITY ASSOCIATION RATES & RULES MANUAL SUMMARY OF APPROVED RULE CHANGES EFFECTIVE JANUARY 1,2026 (NEW BUSINESS) AND FEBRUARY 1,2026 (RENEWAL)

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE	PASSENGER SECTION			
Table of Contents Alberta	Rule 107: Not applicable1	Rule 107: Not applicable Eligibility: Risks requiring Section C Coverage 1	Alignment to New Rule within Private Passenger Section of Manual	This will not impact premiums
Rule 100.A.1	A. The Insurer's rules for declining to issue, terminating or refusing to renew a contract are: 1. The risk does not meet one or more of the qualifications for entry into the Facility Association Residual Market (listed above).	The risk does not meet one or more of the qualifications for entry into the Facility Association Residual Market (listed above). OR The risk does not meet the definition of a residual market risk as defined in Rule 107.	Entry to Facility Association Private Passenger Vehicle Section C (Optional Physical Damage Coverage) Availability	This will not impact premiums
Rule 107. Not Applicable	Rule 107: Not applicable	Rule 107: Not applicable Eligibility: Risks Requiring Section C Coverage A. Declaration letter If the risk does meet one or more of the qualifications for entry to the Facility Association Residual Market and Section C coverage (Optional Physical Damage) is not offered by a voluntary market auto Insurer, the risk will be eligible for placement in the Residual Market. A Declaration Letter indicating the decline of Section C (Optional Physical Damage) coverage must be submitted to Servicing Carrier along with new business applications for private passenger vehicles.	Entry to Facility Association Private Passenger Vehicle Section C (Optional Physical Damage Coverage) Availability	This will not impact premiums

FACILITY ASSOCIATION RATES & RULES MANUAL SUMMARY OF APPROVED RULE CHANGES EFFECTIVE JANUARY 1,2026 (NEW BUSINESS) AND FEBRUARY 1,2026 (RENEWAL)

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 107. Not Applicable		 The Declaration Letter must include the following: The date the letter was completed Named Insured Year, make, model, and serial number (VIN) Declining Insurer's name Agent's/Broker's name and Signature NOTE: The Declaration Letter must be dated within the 30 days immediately preceding the effective date of coverage for the vehicle. B. Renewals A New Declaration Letter must be obtained every renewal stating that the Insured has been declined for Section C (Optional Physical Damage) coverage by a voluntary market auto insurer. Refer to Rule 128:B. Risks Not Eligible for Renewal. 	Entry to Facility Association Private Passenger Vehicle Section C (Optional Physical Damage Coverage) Availability	This will not impact premiums
Rule 127.C	C. Amending or Deleting Coverage on Vehicles with Lessees or Lienholders Where optional physical damage coverage is being amended or deleted on a leased vehicle or a vehicle on which there is a lienholder, the Servicing Carrier must send a notice to the lessor or lienholder to advise of the coverage being amended or deleted and the effective date of the transaction.	C. Amending or Deleting Coverage on Vehicles with Lessees or Lienholders i. Where optional physical damage coverage is being amended or deleted on a leased vehicle or a vehicle on which there is a lienholder, the Servicing Carrier must send a notice to the lessor or lienholder to advise of the coverage being amended or deleted and the effective date of the transaction. ii. For risks where a Declaration Letter is received at the start of the term and Optional Physical Damage coverage is being amended or removed from a leased vehicle or a vehicle with a lienholder, the risk may be lapsed on renewal.	Entry to Facility Association Private Passenger Vehicle Section C (Optional Physical Damage Coverage) Availability	This will not impact premiums





Manual of Rules and Rates ALBERTA

Revised Private Passenger Grid Rates and Commercial Rule Changes Effective January 1, 2026 (New Business and Renewals)

Effective January 1, 2026 Facility Association is implementing the following updates for new business and renewals in Alberta:

- In accordance with the Alberta Automobile Insurance Rate Board's Order No. 01-2025, Private Passenger Gird premiums have been increased by +20.0% effective January 1, 2026 for New Business and Renewals.
- There are rule changes in the Commercial section of the manual.
- A summary of the rule changes is attached to the Manual Bulletin on the Facility Association website.

The Facility Association website www.facilityassociation.com has been updated with this information.

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

Approved Wording

Change from

Premium

Rule

Current Wording

Current impact on existing policies COMMERCIAL SECTION Rule 200.D Amends the This will not documentation impact **FMCSA SMS** 90 days New FMCSA SMS 90 days New Filed requirements premiums "Complete" Carrier from date Business*. "Complete" Carrier from date Business* Underwriting Profile (with full report was Renewals Profile (with full report was Renewals applicable to Rules, Individually documentation), documentation), generated generated Supplementar including U.S. DOT including U.S. DOT Applicable rated and y Underwriting and MC Numbers: and MC Numbers: to Fleet Fleet rated Documents business. On all Heavy On all Heavy onlv: Every 2nd Commercial Vehicles Commercial Vehicles with a Gross Vehicle with a Gross Vehicle Renewal Weight exceeding Weight exceeding 4,500kg on vehicles 4,500kg on vehicles traveling into the traveling into the U.S. U.S. **NSC Carrier Profile** 90 days New **NSC Carrier Profile** 90 days New (CVOR 'Level 2' in from date Business*. (CVOR 'Level 2' in from date Business*, Renewals Renewals Ontario or report was Ontario or report was Equivalent with full generated Equivalent with full generated Applicable profile profile information): On information): On to Fleet all Heavy Commercial all Heavy Commercial only: Every 2nd vehicles with a Gross vehicles with a Gross Vehicle Weight Vehicle Weight Renewal exceeding 4,500kg. exceeding 4,500kg. Documents supplied Documents supplied must be issued by must be issued by the Provincial the Provincial Authority of the Authority of the jurisdiction of vehicle jurisdiction of vehicle registration. registration. Rule 204.B **B.** Application Form **B.** Application Form Comments This will not Every application for insurance must be made on the Every application for insurance must be made on the added for impact **New Policies** current approved Facility Association or Standard current approved Facility Association or Standard clarification of premiums Application Form and must be fully completed and signed by Application Form and must be fully completed and signed CVS must be by both the Named Insured(s) and Agent/Broker where both the Named Insured(s) and Agent/Broker where signed by the Named required. required. Insured Commercial, garage, public, experience rated and some Commercial, garage, public, experience rated and some specially rated risks will require completion of specially rated risks will require completion of supplementary questionnaires. supplementary questionnaires.

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 204.B New Policies	On the current standard approved application form (Applicable New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island) under the Commercial Rated Vehicles section, if vehicle weight is over 4500kg and/or operating radius is greater than 50 kms, a completed Commercial Vehicle Supplement must be submitted with the application. For all other jurisdictions, a completed Commercial Vehicle Supplement must always be submitted with the application. A copy of the valid registration for all owned vehicles being insured, regardless of vehicle type or use, will be required with the application.	On the current standard approved application form (Applicable New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island) under the Commercial Rated Vehicles section, if vehicle weight is over 4500kg and/or operating radius is greater than 50 kms. A completed Commercial Vehicle Supplement must always be signed by the Named Insured and submitted with the application. For all other jurisdictions, a completed Commercial Vehicle Supplement must always be signed by the Named Insured and submitted with the application. A copy of the valid registration for all owned vehicles being insured, regardless of vehicle type or use, will be required with the application.	Comments added for clarification of CVS must be signed by the Named Insured	This will not impact premiums
	Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required when binding a new risk.	Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required when binding a new risk.		



Manual of Rules and Rates ALBERTA

2025 Private Passenger CLEAR Rate Group Tables and 2025 Commercial Rate Group Tables Effective September 1, 2025 (New Business and Renewals)

Effective September 1, 2025 Facility Association is implementing the following update for new business and renewals in Alberta:

- 2025 Private Passenger CLEAR Rate Group Tables having a range of 1-14 for Accident Benefits rate groups;
- 2025 Commercial Rate Group Tables (Tables I and II);
- The Garage Underwriting Supplement Form is no longer in the Garage Section of the manual. There's an updated version in the Form section of FA's website.

The Facility Association website www.facilityassociation.com has been updated with this information.

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





Manual of Rules and Rates ALBERTA

Various Rule Changes Effective August 1, 2025 (New Business and Renewals)

Effective August 1, 2025 Facility Association is implementing the following updates for new business and renewals in Alberta:

- There are various rule changes in the Commercial, Public, Recreational, Garage and Driver's Policy sections of the manual.
- A summary of the rule changes is attached to the Manual Bulletin on the Facility Association website.

The Facility Association website www.facilityassociation.com has been updated with this information.

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
COMMERCIA	AL SECTION			
Rule 206: Rating Territory	Rule 206: Rating Territory For vehicles used in other jurisdictions refer to Rules 228: Outside Province Exposure and 234. Vehicles Used Outside Jurisdiction of Registration. Surcharge and U.S. currency differential surcharge are to be applied where required.	Rule 206: Rating Territory For vehicles used in other jurisdictions refer to Rules 228: Outside Province Exposure and 234. Vehicles Used Outside Jurisdiction of Registration: Surcharge Outside Province/Territory including U.S and U.S. currency differential surcharge are to be applied where required.	Currency differential surcharge will be discontinued as FA is working towards modernizing	This may impact premium
Rule 215.E.2: Premiums	2. Calculating Premium with Outside Province /Territory Exposure Towing Vehicles Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1 Towing Vehicles Coverage Description Liability Calculate the Outside Province/Territory exposure surcharge for Liability and add to that the currency differential surcharge. Apply to the premium. Then apply any accident/conviction surcharge to the resulting premium.	2. Calculating Premium with Outside Province /Territory Exposure Towing Vehicles Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1 Towing Vehicles Coverage Description Liability Calculate the Outside Province/Territory exposure surcharge for Liability and add to that the currency differential surcharge. Apply to the premium. Then apply any accident/conviction surcharge to the resulting premium	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
Rule 226.C Accident and Conviction Surcharges Table	C. Accident/Conviction Surcharge Table Events in the preceding 36 months Chargeable Accidents: 2 0% 3 30% Each additional 15% Major Convictions 1 25% Each additional 25%	C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 250%. Events in the preceding 36 months Chargeable Accidents: 2 20% 3 30% Each additional 15% Major Convictions 1 25% Each additional 25%	FA aims to harmonize with all other jurisdictions	This may impact premiums

Rule	Curren	t Wording		proved ording	Change from Current	Premium impact on existing policies
Rule 226.C Accident and Conviction	Minor Convictions 2 3 4 Each additional	5% 15% 25% 15%	Minor Convictions 2 3 4 Each additional	5% 15% 25% 15%	FA aims to harmonize with all other jurisdictions	This may impact premiums
Surcharges Table	Serious Convictions 1 Each additional	100% 100%	Events in the preceding 48 months Serious Convictions 1 Each additional	Surcharge 100% 100%	Jurisdictions	
	Maximum surcharge for accidents and all convictions	200% for underage principal operator No maximum for any other operator	Maximum- surcharge for accidents and- all convictions	200% -for underage -principal operator -No maximum for -any other -operator		
Rule 228: Outside Province Exposure	A. Outside Province Expo Interurban Vehicles) B. Currency Differential S Interurban Vehicles)	osure Surcharge (excluding Surcharge (Excluding	A. Outside Province Exposu Interurban Vehicles) B. Currency Differential Su Interurban Vehicles)		Currency differential surcharge will be discontinued as FA is	This may impact premium
	the Liability premium to pre	erential surcharge is added to	currency differential surcharg	otential additional loss arising	working towards modernizing and simplify its rating	
	date the premium is calculated for policy issuance. The Se	the rate of exchange being to the nearest cent, as at the ated by the Servicing Carrier rvicing Carrier shall use the e from the previous published		o the nearest cent, as at the ed by the Servicing Carrier for g Carrier shall use the Bank of		
	the following formula:	ge is calculated by means of ercentage of U.S. exposure	The surcharge percentage following formula: Currency differential x Percentage for example:	is calculated by means of the centage of U.S. exposure		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore, the currency differential is 0.31. The vehicle travels outside the Province 50% of the time. Of that 50% total Outside Province Exposure, the vehicle travels into the U.S. 25% of the time.	The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore, the currency differential is 0.31. The vehicle travels outside the Province 50% of the time. Of that 50% total Outside Province Exposure, the vehicle travels into the U.S. 25% of the time.	Currency differential surcharge will be discontinued as FA is	This may impact premium
	Currency differential surcharge: 0.31 X 25% = 7.75%	Currency differential surcharge: 0.31 X 25% = 7.75%	working towards modernizing	
	The currency differential surcharge is 1. Applied only to the Liability premium, not DCPD	The currency differential surcharge is 1. Applied only to the Liability premium, not DCPD	and simplify its rating	
	2. Not subject to a minimum surcharge	2. Not subject to a minimum surcharge		
	3. This surcharge is an additional surcharge and not to be compounded.	3. This surcharge is an additional surcharge and not to be compounded.		
	Example: The Liability premium is: \$1,000	Example: The Liability premium is: \$1,000		
	The percentage of Outside Province Exposure is: 50% The percentage of U.S exposure is: 25% The Currency Differential surcharge is: 7.75% Note: In this example, the Currency Differential Surcharge is calculated based on the U.S. Exposure of 25% Base Premium: \$1,000 Outside Province Exposure Surcharge \$500 (\$1,000 x 0.5) Currency differential (\$1,000 X 0.0775) \$78 Total Liability premium \$1,578	The percentage of Outside Province Exposure is: 50% The percentage of U.S exposure is: 25% The Currency Differential surcharge is: 7.75% Note: In this example, the Currency Differential Surcharge is calculated based on the U.S. Exposure of 25% Base Premium: \$1,000 Outside Province Exposure Surcharge \$500 (\$1,000 x 0.5) Currency differential (\$1,000 X 0.0775) \$78 Total Liability premium \$1,578		
	4. In addition to the Servicing Carrier's fee for filing proof of insurance.	4. In addition to the Servicing Carrier's fee for filing proof of insurance.		
	5. Payable only when proof of insurance is required by U.S. authorities.	5. Payable only when proof of insurance is required by U.S. authorities.		
	6. The combined dollar value of the Currency Differential Surcharge and the Outside Province exposure surcharge is subject to a minimum of \$50 per policy term.	6. The combined dollar value of the Currency Differential Surcharge and the Outside Province exposure surcharge is subject to a minimum of \$50 per policy term.		
	For example: Using the example above, the dollar value of the Outside Province exposure surcharge is \$500 and the	For example: Using the example above, the dollar value of the Outside Province exposure surcharge is \$500 and the		

Rule	Current Wordin	g	Approv Wordi		Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	dollar value of the Currency Different The total combined dollar value is \$5 the minimum required. C. Interurban Outside Province Ex (Excluding Commercial Vehicles)	78, well exceeding	dollar value of the Currency Diffe The total combined dollar value is minimum required. B. Interurban Outside Province (Excluding Commercial Vehicle	s \$578, well exceeding the e Exposure Surcharge	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This will impact premium
PUBLIC SECT	ION				<u>'</u>	
Rule 306: Rating Territories	The rating territories are described in Territories For vehicles used in jurisdictions othe to Rule 325 and 330. Outside Alberta and currency differential surcharge a where required	er than Alberta, refer exposure surcharge	The rating territories are describe For vehicles used in jurisdictions of Rule 325 and 330. Outside Albertincluding U.S. exposure surcharge surcharge are to be applied where	other than Alberta, refer to a Province/Territory e and currency differen ti al	Currency differential surcharge will be discontinued	This may impact premium
Rule 308.E: Rating	E. Premium Determination Ensure that the vehicle is a public vel 6. Apply any required Outside Alberta and currency differential surcharge.		E. Premium Determination Ensure that the vehicle is a public 6. Apply any required Outside Alb including U.S. exposure surcharge surcharge.	verta Province/ Territory	Currency differential surcharge will be discontinued	This may impact premium
Rule 323.C Accident and Conviction Surcharges Table	3 3: Each additional 1: Major Convictions 1 2:	• Table Surcharge % 0% 5% 5%	C. Accident/Conviction Surcha Maximum surcharge to be app Events in the preceding 36 months Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional		FA aims to harmonize with all other jurisdictions	This may impact premiums

Rule	Curre	nt Wording	App Wo	proved ording	Change from Current	Premium impact on existing policies
Rule 323.C	Minor Convictions		Minor Convictions		FA aims to	This may
Accident and Conviction Surcharges	2 3 4 Each additional	5% 15% 25% 15%	2 3 4 Each additional	5% 15% 25% 15%	harmonize with all other jurisdictions	impact premiums
Table						
	Serious Convictions 1 Each additional	100% 100%	Events in the preceding 48 months Serious Convictions 1 Each additional	Surcharge 100% 100%		
	Maximum surcharge for accidents and all convictions	200% for underage principal operator No maximum for any other operator	Maximum- surcharge for accidents and all convictions	200% -for underage -principal operator -No maximum for -any other -operator		
Rule 325:	Rule 325: Outside Alber	ta Exposure	Rule 325: Outside Alberta	Province Exposure	Currency	This may
Outside Alberta Exposure	of insurance is required an used for business, commer passengers.	d in another Canadian ubject to a surcharge. This classes of vehicles where proof d/or where the vehicles are cial purposes or are carrying ply where the vehicle is used	or the U.S. is subject to a sur apply to all classes of vehicles required and/or where the ve commercial purposes or are c	n another Canadian jurisdiction charge. This surcharge shall swhere proof of insurance is hicles are used for business, earrying passengers.	differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	impact premium
	of total mileage that the ve Alberta and the jurisdiction	ne Agent/Broker the percentage whicle will be used outside u(s) into which the vehicle is Rule 330 and the relevant	total mileage that the vehicle	he U.S. and the jurisdiction(s) will be driven. Refer to Rule		
	required by authorities. In	unless proof of insurance is this case a 5% surcharge will zard and Passenger Hazard),				

Rule	Current W	ording		roved rding	Change from Current	Premium impact on existing policies
Rule 325: Outside	NOTE: Where vehicles are open Agents/Brokers must ask Insur insurance must be filed and, if	eds whether or not proof of	NOTE: Where vehicles are ope Agents/Brokers must ask Insur insurance must be filed and, if	reds whether or not proof of	Currency differential surcharge	This may impact premium
Alberta Exposure	Liability, DCPD and Accident For each percentage point of to Canadian jurisdiction or the U.S applicable premium.	tal mileage in another	Liability, Accident Benefits, DCPD For each percentage point of total mileage in another Canadian jurisdiction or the U.S., surcharge 1% of the applicable premium. If this exposure is 5.0% or less of total mileage in the U.S. or applicable Canadian jurisdiction, a 5% surcharge will apply to Liability, Accident Benefits, and DCPD. If this exposure is over 5.0% of total mileage in the U.S. or applicable Canadian jurisdiction, surcharge 1% of the		will be discontinued as FA is working towards modernizing and simplify its rating	
			applicable premium			
	For example: Outside Alberta Exposure	Applicable Surcharge	For example: Outside Alberta Province Exposure	Applicable Surcharge		
	Up to 5% and proof of insurance required	5%	Up to 5% and proof of insurance required	5%		
	10%	10%	10%	10%		
	25%	25%	25%	25%		
	50%	50%	50%	50%		
ſ	Optional Physical Damage For each percentage point of to Canadian jurisdiction or the U.S applicable premium. For example: Outside Alberta		Optional Physical Damage For each percentage point of to applicable another Canadian jusurcharge 0.50% of the application for example: Outside Alberta	irisdiction or the U.S., able premium.		
	Exposure	Surcharge	Province Exposure	Applicable Surcharge		
	6%	3%	6%	3%		
	10%	5%	10%	5%		
	25%	12.5%	25%	12.5%		
	50%	25%	50%	25%		
	B. Currency Differential Sur	charge	B. Currency Differential Sur	charge		
	Whenever proof of insurance is authorities, a currency differen		Whenever proof of insurance is currency differential surcharge	required by U.S. authorities, a is added to the Liability		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325: Outside Alberta	the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars.	premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars.	Currency differential surcharge will be	This may impact premium
Exposure	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day.	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day.	discontinued as FA is working towards modernizing and simplify	
	The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75%	The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75%	its rating	
	The Currency differential surcharge is 1. Applied only to the Liability premium, not DCPD 2. Not subject to a minimum surcharge.	The Currency differential surcharge is 1. Applied only to the Liability premium, not DCPD 2. Not subject to a minimum surcharge.		
	 Not subject to a minimum surcharge. Additional to but not compounded on the U.S. exposure surcharge. 	3. Additional to but not compounded on the U.S. exposure surcharge.		
	Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium = \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities.	Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium = \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities.		
	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term.	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325: Outside Alberta Exposure	For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars.	For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%.	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%.		
	Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium, not DCPD 2. Not subject to a minimum surcharge. 3. Additional to but not compounded on the U.S. exposure surcharge.	Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium, not DCPD 2. Not subject to a minimum surcharge. 3. Additional to but not compounded on the U.S. exposure surcharge.		
	Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium = \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance.	Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium = \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325: Outside Alberta Exposure	 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. 	5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
Rule 330: Vehicles Used Outside Jurisdiction of Registration	When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 325: Outside Alberta Exposure. 3. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. 4. If the out of province exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, and Accident Benefits only. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The Insured lives in Calgary, is on sabbatical in California and the vehicle is registered in Alberta. Calgary rates apply. 6. If the vehicle is used in different territories, within the same jurisdiction, refer to Rule 306: Rating Territory.	When a vehicle is registered in one jurisdiction but garaged or chiefly used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 325: Outside Alberta Exposure. 2. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. 4. If the out of province exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, and Accident Benefits only. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The Insured lives in Calgary, is on sabbatical in California and the vehicle is registered in Alberta. Calgary rates apply. 6. If the vehicle is used in different territories, within the same jurisdiction, refer to Rule 306: Rating Territory.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium

Rule	Current V	J ording		roved ording	Change from Current	Premium impact on existing policies
Rule 330: Vehicles Used Outside Jurisdiction of Registration			NOTE: At the Servicing Carrie tax information, log books and	ne U.S. Rates for that with a surcharge. Refer to Rule ges applicable. er's discretion, a copy of fuel	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
RECREATION	IAL SECTION					
Rule 419.D.3 Time on Risk	D. Short Term Tables No. 3 vehicles)	and No. 4 (seasonal use	D. Short Term Tables No. 3 vehicles)	and No. 4 (seasonal use	Include/chan ge reference of U.S.	This may impact premium
Tables			3. The tables below apply to the seasonal use/Canadian conditions. If there is use outside the season or Canada during a month where the table indicates the charges as 'Nil' there shall be an additional premium charged for that month equal to pro rata of the annual premium. The surcharge for Outside Province/Territory including U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required.		Exposure to Outside Province/ Territory Exposure.	
Rule 425.C Accident and Conviction	C. Accident/Conviction Sure Events in the preceding 36 months	:harge Table Surcharge	C. Accident/Conviction Sur- Maximum surcharge to be a Events in the preceding 36 months		FA aims to harmonize with all other	This may impact premiums
Surcharges Table	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions	0% 30% 15% 25% 25% 5% 15% 25%	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional	20% 30% 15% 25% 25% 5% 15% 25%	jurisdictions	
	Serious Convictions	100%	Events in the preceding 48 months	Surcharge		

Rule	Current Wording			Approved Wording	Change from Current	Premium impact on existing policies
Rule 425.C Accident and Conviction Surcharges Table	Each additional Maximum surcharge for accidents and all convictions	200% for underage principal operator No maximum for any other operator	Serious Convictions 1 Each additional Maximum- surcharge for accidents and- all convictions	100% 100% 200% -for underage -principal operator -No maximum for -any other -operator	FA aims to harmonize with all other jurisdictions	This may impact premiums
Rule 427.A: Outside Alberta Exposure	surcharge shall apply to a of insurance is required a for business, commercial passengers. The surcharge does not a for personal use only and required. The Insured must advise of total mileage that the Alberta and the jurisdiction and will be driven. If this exposure is 5.0% a surcharge shall be waived required by authorities. I apply to Liability, DCPD, only. NOTE: Where vehicles ar Agents/Brokers must ask insurance must be filed a Liability, DCPD, Accide For each percentage points.	red in another Canadian subject to a surcharge. This recreational vehicles where proof and where the vehicles are used purposes or are carrying reply where the vehicle is used proof of insurance is not the Agent/Broker the percentage vehicle will be used outside on(s) into which the vehicle is or less of total mileage, the d unless proof of insurance is an this case a 5% surcharge will Accident Benefits and END 44 re operated in the U.S., Insureds whether or not proof of nd, if so, in what amount.	or the U.S. is subject to apply to recreational all dinsurance is required and business, commercial put The surcharge does not a personal use only and province Insured must advise total mileage that the verovince Includinto which the vehicle is If this exposure is 5.0% surcharge shall be waive required by authorities. It to Liability, DCPD, Accide NOTE: Where vehicles a Agents/Brokers must ask insurance must be filed at Liability, Accident Ben For each percentage point	Atted in another Canadian jurisdiction a surcharge. This surcharge shall classes of vehicles where proof of d where the vehicles are used for irposes or are carrying passengers. Apply where the vehicle is used for roof of insurance is not required. At the Agent/Broker the percentage of thicle will be used outside Albertaing the U.S. and the jurisdiction(s) and will be driven. Refer to Rule 433. Are less of total mileage, the did unless proof of insurance is in this case a 5% surcharge will apply ent Benefits and END 44 only: Are operated in the U.S., a Insureds whether or not proof of and, if so, in what amount.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premiums

Rule	Current W	ording (roved rding	Change from Current	Premium impact on existing policies
Rule 427: Outside Alberta Exposure	For example:		If this exposure is 5.0% or les applicable Canadian jurisdictio Liability, Accident Benefits, DC If this exposure is over 5.0% of applicable Canadian jurisdiction applicable premium For example:	n, a 5% surcharge will ap PD and END 44. of total mileage in the U.S n, surcharge 1% of the	oply to differential surcharge will be discontinued as FA is working towards modernizing	This may impact premiums
	Outside Alberta Exposure	Applicable	Outside Alberta Province	Applicable Surcharge	and simplify its rating	
	Up to 5% and proof of insurance required 10% 25% 50% Optional Physical Damage For each percentage point of to Canadian jurisdiction or the U.Sapplicable premium. For example: Outside Alberta Exposure 6%	Applicable Surcharge 3%	Up to 5% and proof of insurance required 10% 25% 50% Optional Physical Damage For each percentage point of trapplicable another-Canadian jusurcharge 0.50% of the application of the	5% 10% 25% 50% otal mileage in the U.S. or the U.S., able premium. Applicable Surcharge 3%		
	10%	5%	10% 25%	5% 12.5%	-	
	25% 50%	12.5% 25%	50%	25%]	
	B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day.		B. Currency Differential Sur Whenever proof of insurance is currency differential surcharge premium to provide for the poi from the payment of a claim in The currency differential is the charged for the U.S. dollar, to the premium is calculated by t issuance. The Servicing Carrier closing rate from the previous	s required by U.S. authorics required by U.S. authorics is added to the Liability tential additional loss arising U.S. dollars. Trate of exchange being the nearest cent, as at the Servicing Carrier for pure shall use the Bank of Carrier for pure shall use shall use the Bank of Carrier for pure shall use shall use the Bank of Carrier for pure shall use shall use the Bank of Carrier for pure shall use shall use the Bank of Carrier for pure shall use shall u	e date blicy	

Rule	Current Wording	Approved	Change	Premium
		Wording	from Current	impact on existing
				policies
Rule 427:	The surcharge percentage is calculated by means of	The surcharge percentage is calculated by means of the	Currency	This may
	the following formula:	following formula:	differential	impact
Outside Alberta	Currency differential x U.S. exposure surcharge For example:	Currency differential x U.S. exposure surcharge	surcharge will be	premiums
Exposure	The rate of exchange for the U.S. dollar is 1.3085	The rate of exchange for the U.S. dollar is 1.3085 Canadian.	discontinued	
Lxposure	Canadian. Therefore the currency differential is 0.31.	Therefore the currency differential is 0.31.	as FA is	
	The U.S. exposure surcharge is 25%.	The U.S. exposure surcharge is 25%.	working	
	Currency differential surcharge: 0.31 X 25% =	5 · · · · · · · · · · · · · · · · · · ·	towards	
	7.75%	Currency differential surcharge: 0.31 X 25% = 7.75%	modernizing and simplify	
	The Currency differential surcharge is	The Currency differential surcharge is	its rating	
	Applied only to the Liability premium, not DCPD	1. Applied only to the Liability premium, not DCPD	res rating	!
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, , , , , , , , , , , , , , , , , , , ,		
	2. Not subject to a minimum surcharge.	2. Not subject to a minimum surcharge.		
	3. Additional to but not compounded on the U.S.	3. Additional to but not compounded on the U.S. exposure		
	exposure surcharge.	surcharge.		
	Example:	Example:		
	The Liability premium is \$1,000	The Liability premium is \$1,000		
	U.S. Exposure Surcharge is 25%	U.S. Exposure Surcharge is 25%		
	The Currency Differential Surcharge is 7.75%	The Currency Differential Surcharge is 7.75%		
	Base Premium = \$1,000	Base Premium = \$1,000		
	U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78	U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78		
	Total Liability premium = \$1,328	Total Liability premium = \$1,328		
	Total Elability premium – \$1,320	Total Liability premium – \$1,320		
	4. In addition to the Servicing Carrier's fee for filing proof	4. In addition to the Servicing Carrier's fee for filing proof of		
	of insurance.	insurance.		
	5. Payable only when proof of insurance is required by	E. Develle only when proof of incompany is required by H.C.		
	U.S. authorities.	5. Payable only when proof of insurance is required by U.S. authorities.		
	6. The combined dollar value of the currency differential	dutionities.		
	surcharge and the U.S. exposure surcharge is subject	6. The combined dollar value of the currency differential		
	to a minimum of \$50 per policy term.	surcharge and the U.S. exposure surcharge is subject to a		
	For example: Using the example above, the dollar	minimum of \$50 per policy term.		
	value of the U.S. exposure surcharge is \$250 and the	For example: Using the example above, the dollar value of		
	dollar value of the currency differential surcharge is	the U.S. exposure surcharge is \$250 and the dollar value		
	\$78. The total combined dollar value is \$328, well	of the currency differential surcharge is \$78. The total		
	exceeding the minimum required.	combined dollar value is \$328, well exceeding the		
		minimum required.		
	Whenever proof of insurance is required by U.S.			
	authorities, a currency differential surcharge is added to			

Rule 427: the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. Alberta Exposure The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surfarge percentage is calculated by means of the following formula: Currency differential U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge is 2.35%. The Lability premium is \$1,000 U.S. Exposure Surcharge is 2.35%. Total Liability premium = \$1,328 4. In additional to but not compounded on the U.S. exposure surcharge is 2.35%. Total Liability premium = \$1,328 4. In additional to but not compounded on the U.S. exposure surcharge is 2.35%. Total Liability premium = \$1,328 4. In additional to but not compounded by U.S. Exposure Surcharge is 2.35%. Total Liability premium = \$1,328 4. In additional to but not compounded by U.S. authorities.	Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	Outside Alberta	additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium, not DCPD 2. Not subject to a minimum surcharge. 3. Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 7.75% Base Premium = \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by	currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge: 0.31 X 25% = 7.75% The Liability premium surcharge: 0.31 X 25% = 7.75% Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 7.75% Base Premium = \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filling proof of insurance. 5. Payable only when proof of insurance is required by U.S.	differential surcharge will be discontinued as FA is working towards modernizing and simplify	impact

	Wording	from Current	impact on existing policies
6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premiums
When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 427. 3. The surcharge does not apply to recreational vehicles used for personal use only and proof of insurance is not required. 4. If the out of province exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, DCPD, Accident Benefits, and END 44 only. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The Insured lives in Calgary, is on sabbatical in California and the vehicle is registered in Alberta. Calgary rates apply. 6. If the vehicle is used in different territories, within the	When a vehicle is registered in one jurisdiction but garaged or chiefly used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 427. 2. The surcharge does not apply to recreational vehicles used for personal use only and proof of insurance is not required. 4. If the out of province exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, DCPD, Accident Benefits, and END 44 only. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The Insured lives in Calgary, is on sabbatical in California and the vehicle is registered in Alberta. Calgary rates apply. 6. If the vehicle is used in different territories, within the same jurisdiction, refer to Rule 406: D Rating Territory.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
	surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 427. 3. The surcharge does not apply to recreational vehicles used for personal use only and proof of insurance is not required. 4. If the out of province exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, DCPD, Accident Benefits, and END 44 only. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The Insured lives in Calgary, is on sabbatical in California and the vehicle is registered in Alberta. Calgary rates apply.	surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 427. 3. The surcharge does not apply to recreational vehicles used for personal use only and proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, DCPD, Accident Benefits, and END 44 only. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The Insured lives in Calgary, is on sabbatical in California and the vehicle is used in different territories, within the same jurisdiction, refer to Rule 406-10 Rating Territory.	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250. The dollar value of the

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 433: Vehicles Used Outside Jurisdiction of Registration		3. If the vehicle is operated outside the jurisdiction which it is, registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 427 to determine the surcharges applicable NOTE: At the Servicing Carrier's discretion, a copy of fuel tax information log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
GARAGE SEC	TION			•
Rule 607: Territory and Outside Alberta Exposure	Rule 607: Territory and Outside Alberta Exposure Policies may only be issued for those locations in a jurisdiction in which FA operates. If vehicles are operated regularly i.e. more than 12 trips per year to or through more than one rating territory in Alberta, the highest rated of those territories is to be used. Outside Alberta Exposure Surcharge Any vehicle insured under the POL 4 (Garage Policy) and operated in the U.S. or outside Alberta is subject to a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance must be filed and, if so, in what amount. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. The Insured must advise the Agent/Broker the percentage of the total mileage that the vehicle will be used outside Alberta and the jurisdiction(s) into which the vehicle is and will be driven. If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge	Rule 607: Territory and Outside Alberta Province Exposure Policies may only be issued for those locations in a jurisdiction in which FA operates. If vehicles are operated regularly i.e. more than 12 trips per year to or through more than one rating territory in Alberta, the highest rated of those territories is to be used. Outside Alberta Province Exposure Any vehicle insured under the POL 4 (Garage Policy) and operated in another Canadian jurisdiction or the U.S. or outside Alberta is subject to a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance must be filed and, if so, in what amount. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. The Insured must advise the Agent/Broker the percentage of the total mileage that the vehicle will be used outside Alberta Province/Territory including the U.S. and the jurisdiction(s) into which the vehicle is and will be driven. NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance must be filed and, if so, in what amount.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium

Rule	Current	Wording			Approv Wordii		Change from Current	Premium impact on existing policies
Rule 607:	will apply to the Basic Garage	e Premium for Liability,	If	this exposure is 5.0% or	r less of	the total mileage, the	FA aims to	This may
	DCPD, Accident Benefits, and	d END 81 premiums.	su	rcharge shall be waived	l unless	proof of insurance is	harmonize	impact
Territory and Outside Alberta Exposure	Basic Garage Premium - L Accident Benefits, END 81		ap Ac	quired by authorities. In oply to the Basic Garage scident Benefits, and ENE	Premiur D-81 pro	m for Liability, DČPD, emiums.	and simplify the wordings across all jurisdictions	premium
	For each percentage point of Alberta, surcharge 1% of the			asic Garage Premium - enefits, DCPD,END 81		ity, and Accident		
			su If or ap	rcharge 1% of the applic	i cable pr r less of risdictior t Benefit	total mileage in the U.S. n, a 5% surcharge will s, DCPD and END 81.		
	For example:			applicable Canadian juri				
	Outside Alberta Exposure	Applicable Surcharge	ap	plicable premium.		,, ca. a. a. ge 1 /0 0. a. e		
	Up to 5% and proof of insurance required	5%		Outside Alberta Province Exposure		olicable Surcharge		
	10%	10%		Up to 5% and proof or insurance required	sf 5%	•		
	25%	25%						
	50%	50%		10%	100			
				25%	259			
	Basic Garage Premium – C	Optional Physical		50%	509			
	Damage			sic Garage Premium				
	For each percentage point of			r each percentage point				
	Alberta, surcharge .5% of the	e applicable premium.				utside Alberta , surcharge		
	For example:			0% of the applicable pre	emium.			
	Outside Alberta	Applicable Surcharge		r example:	Α	libl- Combana		
	Exposure	20/		Outside Alberta	App	olicable Surcharge		
	6%	3%		Province Exposure	20/			
	10%	10%	⊣ I	6%	3%			
	25%	12.5%	$-\parallel$	10%	109			
	50%	25%	—	25% 50%	12. 25º	5%		
	At the Servicing Carrier's disinformation, log books and/o may be required to verify mi jurisdictions.	or other pertenent records	int	the Servicing Carrier's o	discretio	on, a copy of fuel tax er pertenent records may be		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 608: Proof of Insurance Where Notice of Cancellation or Deletion is Required	B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day.	B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This will impact premium
	The currency differential surcharge is: • Applied only to the Liability premium (not DCPD) • Has no minimum surcharge applicable. • Additional to but not compounded on the Outside Alberta exposure surcharge (See Rule 607: Territory and Outside Alberta Exposure).	The currency differential surcharge is: Applied only to the Liability premium (not DCPD) Has no minimum surcharge applicable. Additional to but not compounded on the Outside Alberta exposure surcharge (See Rule 607: Territory and Outside Alberta Exposure).		
	Additional to the Servicing Carrier's fee for filing proof of insurance.	 Additional to the Servicing Carrier's fee for filing proof of insurance. 		
	Payable only when proof of insurance is required by U.S. authorities.	 Payable only when proof of insurance is required by U.S. authorities. 		
	Subject to a minimum of \$50 per policy term for the combined dollar value of the currency differential surcharge and the Outside Alberta exposure surcharge.	Subject to a minimum of \$50 per policy term for the combined dollar value of the currency differential surcharge and the Outside Alberta exposure surcharge.		
	Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the currency differential is 0.31	Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the currency differential is 0.31		
	Outside Alberta exposure surcharge is 25% (.25 factor)	Outside Alberta exposure surcharge is 25% (.25 factor)		
	Currency differential surcharge is 0.31 X .25 = .0775	Currency differential surcharge is 0.31 X .25 = .0775		
	Liability premium \$1,000 Outside Alberta exposure surcharge .25 Currency differential surcharge .0775 Base premium \$1,000 Outside Alberta exposure \$1,000 X .25 \$250	Liability premium \$1,000 Outside Alberta exposure surcharge .25 Currency differential surcharge .0775 Base premium \$1,000 Outside Alberta exposure \$1,000 X .25 \$250		

Rule	Current Wor	ding	App Wo	proved ording	Change from Current	Premium impact on existing policies
Rule 608: Proof of Insurance Where Notice of Cancellation or Deletion is Required	Currency differential \$1,000 X .07 Total Liability premium C. Renewal or Offer to Renew D. Policy Cancellation	\$1,328	Currency differential \$1,000 X Total Liability premium B. Renewal or Offer to Ren C. Policy Cancellation	\$1,328	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This will impact premium
Rule 623.A Conviction Definitions and Surcharge Tables	Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Events in the preceding 48	25% 25% 5% 15% 25% 15%	A. Accident/Conviction Sur Maximum surcharge to be a surprise of the surprise	20% 30% 15% 25% 5% 15% 25% 15% 25% 15% Surcharge	To harmonize with all other jurisdictions.	This may impact premiums
	Serious Convictions 1 Each additional	100% 100%	1 Each additional	100% 100%		

Current Wording

Rule

Approved Wording

Change

from

Premium

impact

			W	rung	Current	on existing policies
	DLICY SECTION					
Rule 724.C	C. Accident/Conviction Sure Maximum surcharge to be a serious, major and minor counderage operator. There is other operator.	applied for accidents, onvictions is 200% for an	C. Accident/Conviction Sur Maximum surcharge to be a serious, major and minor c an underage operator. The other operator.	applied for accidents, onvictions is 250% 200% for	To harmonize with all other jurisdictions.	This may impact premiums
	Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge		
	Chargeable Accidents:		Chargeable Accidents:			
	2	0%	2	2 0%		
	3	30%	3	30%		
	Each additional	15%	Each additional	15%		
	Major Convictions	250/	Major Convictions	250/		
	_ 1	25%	1	25%		
	Each additional	25%	Each additional	25%		
	Minor Convictions		Minor Convictions			
	2	5%	2	5%		
	3	15%	3	15%		
	4	25%	4	25%		
	Each additional	15%	Each additional	15%		
	Events in the preceding 48 months	Surcharge	Events in the preceding 48 months	Surcharge		
	Serious Convictions		Serious Convictions			
	1	100%	1	100%		
	Each additional	100%	Each additional	100%		
Rule 726:	Rule 726: Outside Alberta E	xposure	Rule 726: Outside Alberta	Province Exposure	FA aims to	This may
Outside	A. Outside Alberta Exposure		A. Outside Alberta Province		harmonize and simplify	impact premium
Alberta Exposure	Any driver operating a non-ow Canadian jurisdiction or the U. Alberta exposure surcharge. T where the non-owned vehicle (non-business use) and proof	S. is subject to the Outside he surcharge does not apply is used for personal use	Any driver operating a non-ow Canadian jurisdiction or the U. Alberta exposure a surcharge. all classes of vehicles where p where the vehicles are used for purposes or are carrying passes.	S. is subject to the Outside This surcharge shall apply to roof of insurance is required or business, commercial	the wordings across all jurisdictions	

Rule	Current W	ording/		roved rding	Change from Current	Premium impact on existing policies
Rule 726: Outside Alberta Exposure	The Insured must advise the Arof total mileage that the Insure owned vehicle outside Alberta which the vehicle is and will be If this exposure is 5.0% or less surcharge shall be waived unle required by authorities. In this apply to Liability, Accident Bendul. NOTE: Where non-owned vehicle. Insurance must be filed and, if Liability, Accident Benefits, For each percentage point of to applicable Canadian jurisdiction of the applicable premium.	and the jurisdiction(s) into driven. If of the total mileage, the ss proof of insurance is a case a 5% surcharge will efits, and END 44. It cles are operated in the whether or not proof of so, in what amount. END 44 It al mileage in another	used for personal use (non businsurance is not required. The Insured must advise the A total mileage that the Insured vehicle will be used outside Alkincluding the U.S. and the juris vehicle is and will be driven. If this exposure is 5.0% or less surcharge shall be waived unle required by authorities. In this apply to Liability, Accident Ben NOTE: Where non-owned vehi Agents/Brokers must ask Insure not proof of insurance must be amount. Liability, Accident Benefits, For each percentage point of to applicable Canadian jurisdiction the applicable premium. If this exposure is 5.0% or less insurance is 5.0%	gent/Broker the percentage of will be using a non-owned perta Province/Territory soliction(s) into which the so of the total mileage, the ess proof of insurance is a case a 5% surcharge will efits, and END 44. Cles are operated in the U.S., reds must be asked whether or a filed and, if so, in what END 44 Cotal mileage in another or the U.S., surcharge 1% of so of total mileage in the U.S. or no a 5% surcharge will apply to END 44.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
	For example:	For example:				
	Outside Alberta Exposure	Applicable Surcharge	Outside Alberta Province Exposure	Applicable Surcharge		
	Up to 5% and proof of insurance required	5%	Up to 5%-and proof of insurance required	5%		
	10%	10%	10%	10%		
	25%	25%	25%	25%		
	50%	50%	50%	50%		

Rule	Curi	rent Wording		Approved Wording		Change from Current	Premium impact on existing policies
Rule 726:	Optional Physical Dam	nage	Optional Physical Dama			Currency	This may
Outside Alberta Exposure	applicable Canadian juris	For each percentage point of total mileage in another applicable Canadian jurisdiction or the U.S., surcharge .5% of the applicable premium.		of total mileage in the U.S or an jurisdiction or the U.S. , plicable premium.	•	differential surcharge will be discontinued as FA is	impact premium
	For example:		For example:			working	
	Outside Alberta Exposure	Applicable Outside Alberta Appli	Applicable Surcharge		towards modernizing		
	6%	3%	6%	3%		and simplify	
	10%	5%	10%	5%		its rating	
	25%	12.5%	25%	12.5%	1		
	50%	25%	50%	25%			
	the Liability premium to additional loss arising fro dollars. The currency differential charged for the U.S. doll date the premium is calc policy issuance. The Sero of Canada closing rate from the following formula:	is the rate of exchange being lar, to the nearest cent, as at the culated by the Servicing Carrier for vicing Carrier shall use the Bank rom the previous published day.	The currency differential is charged for the U.S. dollar the premium is calculated issuance. The Servicing Caclosing rate from the previous The surcharge percenta following formula: Currency differential x left.	s the rate of exchange being r, to the nearest cent, as at the by the Servicing Carrier for p arrier shall use the Bank of Ca ious published day. ge is calculated by means U.S. exposure surcharge	ne date olicy nada		
	For example: The rate of exchange for	the U.S. dollar is 1.3085 currency differential is 0.31.	Therefore the currency diff The U.S. exposure surchar				
	Currency differential s 7.75%	surcharge: 0.31 X 25% =	The Currency differential 1. Applied only to the Liab				
	The Currency different 1. Applied only to the Li	tial surcharge is iability premium, not DCPD	2. Not subject to a minim	um surcharge.			
	2. Not subject to a mini	mum surcharge.					

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726:		3. Additional to but not compounded on the U.S. exposure	Currency	This may
	3. Additional to but not compounded on the U.S.	surcharge.	differential	impact
Outside	exposure surcharge.		surcharge	premium
Alberta		Example:	will be	
Exposure	Example:	The Liability premium is \$1,000	discontinued	
	The Liability premium is \$1,000	U.S. Exposure Surcharge is 25%	as FA is	
	U.S. Exposure Surcharge is 25%	The Currency Differential Surcharge is 7.75%	working	
	The Currency Differential Surcharge is 7.75%	Base Premium = \$1,000	towards	
	Base Premium = \$1,000	U.S. Exposure \$1,000 X .25 = \$250	modernizing	
	U.S. Exposure \$1,000 X .25 = \$250	Currency Differential \$1,000 X 7.75 = 77.50 = \$78	and simplify	
	Currency Differential \$1,000 X 7.75 = 77.50 = \$78	Total Liability premium = \$1,328	its rating	
	Total Liability premium = \$1,328			
		4. In addition to the Servicing Carrier's fee for filing proof of		
	4. In addition to the Servicing Carrier's fee for filing proof	insurance.		
	of insurance.	5. Payable only when proof of insurance is required by U.S.		
	Payable only when proof of insurance is required by U.S. authorities.	authorities.		
		6. The combined dollar value of the currency differential		
	6. The combined dollar value of the currency differential	surcharge and the U.S. exposure surcharge is subject to a		
	surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term.	minimum of \$50 per policy term.		
		For example: Using the example above, the dollar value of		
	For example: Using the example above, the dollar	the U.S. exposure surcharge is \$250 and the dollar value		
	value of the U.S. exposure surcharge is \$250 and the	of the currency differential surcharge is \$78. The total		
	dollar value of the currency differential surcharge is	combined dollar value is \$328, well exceeding the		
	\$78. The total combined dollar value is \$328, well	minimum required.		
	exceeding the minimum required.			
		Whenever proof of insurance is required by U.S. authorities, a		
	Whenever proof of insurance is required by U.S.	currency differential surcharge is added to the Liability		
	authorities, a currency differential surcharge is added to	premium to provide for the potential additional loss arising		
	the Liability premium to provide for the potential	from the payment of a claim in U.S. dollars.		
	additional loss arising from the payment of a claim in U.S.	The common of differential is the water of evolutions a being		
	dollars.	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date		
	The currency differential is the rate of eyebange being			
	The currency differential is the rate of exchange being	the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada		
	charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for	closing rate from the previous published day.		
	policy issuance. The Servicing Carrier shall use the Bank	closing rate from the previous published day.		
	of Canada closing rate from the previous published day.	The surcharge percentage is calculated by means of the		
		following formula:		
	The surcharge percentage is calculated by means of the	Currency differential x U.S. exposure surcharge		
	following formula:	For example:		
	Currency differential x U.S. exposure surcharge	The rate of exchange for the U.S. dollar is 1.3085 Canadian.		
	For example:	Therefore the currency differential is 0.31.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726:	The rate of exchange for the U.S. dollar is 1.3085	The U.S. exposure surcharge is 25%.	Currency	This may
Outside Alberta	Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%.	Currency differential surcharge: 0.31 X 25% = 7.75%	differential surcharge will be	impact premium
Exposure	Currency differential surcharge: 0.31 X 25% = 7.75%	The Currency differential surcharge is 1. Applied only to the Liability premium, not DCPD	discontinued as FA is	
	The Currency differential surcharge is	1. Applied only to the Elablinty premium, not ber b	working	
	Applied only to the Liability premium, not DCPD Not subject to a minimum surcharge.	2. Not subject to a minimum surcharge.	towards modernizing	
		3. Additional to but not compounded on the U.S. exposure	and simplify	
	3. Additional to but not compounded on the U.S. exposure surcharge.	surcharge.	its rating	
		Example:		
	Example:	The Liability premium is \$1,000		
	The Liability premium is \$1,000	U.S. Exposure Surcharge is 25%		
	U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75%	The Currency Differential Surcharge is 7.75% Base Premium = \$1,000		
	Base Premium = \$1,000	U.S. Exposure \$1,000 X .25 = \$250		
	U.S. Exposure \$1,000 X .25 = \$250	Currency Differential \$1,000 X 7.75 = 77.50 = \$78		
	Currency Differential \$1,000 X 7.75 = 77.50 = \$78 Total Liability premium = \$1,328	Total Liability premium = \$1,328		
		4. In addition to the Servicing Carrier's fee for filing proof of		
	4. In addition to the Servicing Carrier's fee for filing proof	insurance.		
	of insurance. 5. Payable only when proof of insurance is required by U.S. authorities.	5. Payable only when proof of insurance is required by U.S. authorities.		
		6. The combined dollar value of the currency differential		
	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term.	surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term.		
	For example: Using the example above, the dollar	For example: Using the example above, the dollar value		
	value of the U.S. exposure surcharge is \$250 and	of the U.S. exposure surcharge is \$250 and the dollar		
	the dollar value of the currency differential	value of the currency differential surcharge is \$78. The		
	surcharge is \$78. The total combined dollar value is	total combined dollar value is \$328, well exceeding the		
	\$328, well exceeding the minimum required.	minimum required.		
Rule 728:	For example: The Insured resides in Alberta and the non-	For example: The Insured resides in Alberta and the non-	FA aims to	This may
	owned vehicle is registered in that jurisdiction; however,	owned vehicle is registered in that jurisdiction; however, the	harmonize	impact
Non-Owned	the Insured will be travelling the Atlantic provinces for the	Insured will be travelling the Atlantic provinces for the next	and simplify	premium
Vehicles Used	next year.	year.	the wordings	
Outside Jurisdiction of Registration	When a non-owned vehicle is registered in Alberta but used in another jurisdiction, the following is to be used as a guide for rating the POL 2 (Driver's Policy):	When a non-owned vehicle is registered in Alberta jurisdiction but garaged or chiefly used in another jurisdiction, the	across all jurisdictions	

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 728: Non-Owned Vehicles Used Outside Jurisdiction of Registration	 POL 2 (Driver's Policy) must be issued in the jurisdiction where the Insured resides even if the vehicle is used in another jurisdiction. If the non-owned vehicle is operated outside Alberta, Alberta rates apply. Refer to Rule 726: Outside Alberta Exposure. Surcharges for Outside Alberta exposure do not apply when the Insured is driving non-owned vehicles that are used for personal use only and where proof of insurance is not required. If the out of jurisdiction exposure is 5% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, Accident Benefits and END 44 only. At the Servicing Carrier's discretion, a copy of fuel tax information may be required to verify mileage and travelled jurisdictions. If the non-owned vehicle is being used in the U.S., the POL 2 (Driver's Policy) must be rated in the territory where the vehicle is registered. For example: The insured lives in Calgary and is on sabbatical in California. The nonowned vehicle is registered in Alberta. Calgary rates apply. If the non-owned vehicle is used in different territories within the same jurisdiction, charge the highest rated territory 	following is to be used as a guide for rating purposes. the POL 2 (Driver's Policy): —POL 2 (Driver's Policy) 1. The policy must be issued in the jurisdiction where the Insured resides even if the non-owned vehicle is chiefly used in another jurisdiction. —If the non-owned vehicle is operated outside Alberta, Alberta rates apply. Refer to Rule 726: Outside Alberta Exposure. 2. Surcharges for Outside Alberta exposure do not apply when the Insured is driving non-owned to private passenger vehicles that are used for personal use only and where proof of insurance is not required. —If the out of jurisdiction exposure is 5% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, Accident Benefits and END 44 only. At the Servicing Carrier's discretion, a copy of fuel tax information may be required to verify mileage and travelled jurisdictions. If the non-owned vehicle is being used in the U.S., the POL 2 (Driver's Policy) must be rated in the territory where the vehicle is registered. For example: The insured lives in Calgary and is on sabbatical in California. The non-owned vehicle is registered in Alberta. Calgary rates apply. If the non-owned vehicle is used in different territories within the same jurisdiction, charge the highest rated territory 3. If the vehicle is operated outside the jurisdiction which it is, registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 726 to determine the surcharges applicable. NOTE: At the Servicing Carrier's discretion, a copy of fuel tax information leads to backs and for other positions are copy of fuel tax information leads to backs and for other positions are copy of fuel tax information leads to backs and for other positions are copy of fuel tax information leads to prove the position of the p	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
		information log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions.		





Manual of Rules and Rates ALBERTA

Revised Motorcycle & Moped Rule 409.B Effective June 1, 2025 (New Business and Renewals)

Effective June 1, 2025 Facility Association is implementing the following updates for new business and renewals in Alberta:

- Rule 409.B has been updated in the Recreational Section of the manual.
- Revised rate pages for Motorcycle & Moped. There are no rate changes associated with this amendment.
- A summary of the rule changes is attached to the Manual Bulletin on the Facility Association website.

The Facility Association website www.facilityassociation.com has been updated with this information.

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

Approved Wording

Change from Premium

Current Wording

Rule

Kule	Current wording	Approved wording	Current	impact on existing policies
RECREATION	AL SECTION			-
RECREATION Rule 409.B. Motorcycle & Mopeds	1. Driving Record Entitlement The full number of years immediately preceding the commencement date of the period of insurance for which: a) the principal driver has continuously held a valid operator's licence; and b) there have been no chargeable accidents Regardless of the period during which an operator has	1. Driving Record Entitlement The full number of years immediately preceding the commencement date of the period of insurance for which: a) the principal driver has continuously held a valid operator's licence; and b) there have been no chargeable accidents Regardless of the period during which an operator has held a Learner's Licence (formit or Learner's Licence).	Aligns the rule in the manual where accident or conviction surcharge (15% or more DR 3 shall be allowed	This may impact premiums
	held a learner's licence/permit or level one licence, the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained.	held a Learner's Licence/Permit or Level One Licence, the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained.	Outlines where driving record applies to	
	Years Learner Level 2 Level 2 Level 2 DTC Less than 1 0 0 3 1 Year 0 1 3 2 Years 0 2 3 3 Years 0 3 3	Years Licensed Learner Level 1 Valid or Level 2 No DTC Valid or Level 2 DTC Less than 1 0 0 3 1 year 0 1 3 2 years 0 2 3 3 years 0 3 3 4 years 0 4 4 5 years 0 5 5 Where an accident or conviction surcharge (15% or	which coverage	
	The driving record established applies to all coverages for which a driving record is a factor. There is no split rating. A chargeable accident will affect the rating of Liability, DCPD (Not available for Northwest Territories, Nunavut and Yukon) and Collision coverages. 2. Calculating Driving Record with a Licence Suspension/Cancellation/Lapse Suspension of Operator's Licence can be one of two types:	more) is applied to a vehicle premium, a maximum of Driving Record 3 shall be allowed. The driving record established applies to all coverages for which a driving record is a factor. There is no split rating. A chargeable accident will affect the rating of Liability, DCPD (Not available for Northwest Territories, Nunavut and Yukon) and Collision coverages. 2. Calculating Driving Record with a Licence Suspension/Cancellation/Lapse Suspension of Operator's Licence can be one of two types:		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 409.B. Motorcycle & Mopeds	A. Suspension for cause: A driver's licence suspension or cancellation for more than two weeks resulting from a conviction or an accumulation of demerit points. With suspension for cause, for the total of all suspensions within the last 5 years, deduct 1 year for each year (or partial year) of suspension from the driving record (maximum Driving Record 3). Example 1 Principal operator is eligible for Driving Record 4. Driver has 6 month suspension for demerit points. Now qualifies for Driving Record 3. Example 2 Principal operator is eligible for Driving Record 4. Driver has been reinstated after 18 month suspension for convictions. Now qualifies for Driving Record 2. B. Administrative Suspension/Cancellation/Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A (Not applicable in Alberta). A person whose licence has been cancelled or lapsed for five or more years immediately preceding the commencement date of this insurance shall initially be rated Driving Record 0, whether or not a new licence has been obtained. An operator with a licence suspension is not eligible for a driver training discount. 3. Valid Operator's Licence A valid licence to drive the type of vehicle concerned. A learner's permit/licence or level one licence where there is Graduated Licensing will be regarded as a valid operator's licence except as it pertains to the accumulation of experience.	A. Suspension for cause: A driver's licence suspension or cancellation for more than two weeks resulting from a conviction or an accumulation of demerit points. With suspension for cause • For the total of all suspensions within the last 5 years, deduct 1 year for each year (or partial year) of suspension from the driving record (maximum Driving Record 3). Example 1 Principal operator is eligible for Driving Record 4. Driver has 6 month suspension for demerit points. Now qualifies for Driving Record 3. Example 2 Principal operator is eligible for Driving Record 4. Driver has been reinstated after 18 month suspension for convictions. Now qualifies for Driving Record 2. B. Administrative Suspension /Cancellation /Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A (Not applicable in Alberta). A person whose licence has been cancelled or lapsed for five or more years immediately preceding the commencement date of this insurance shall initially be rated Driving Record 0, whether or not a new licence has been obtained. An operator with a licence suspension is not eligible for a driver training discount. 3. Valid Operator's Licence A valid licence to drive the type of vehicle concerned. A Learner's Permit/Licence or Level One Licence where there is Graduated Licensing will be regarded as a valid operator's licence except as it pertains to the	Words being capitalized to harmonize across all jurisdictions	
		accumulation of experience.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 409.B. Motorcycle & Mopeds	The operator of a moped must meet the licence requirements of the jurisdiction in which the vehicle is operated.	The operator of a Moped must meet the licence requirements of the jurisdiction in which the vehicle is operated.	Words being capitalized to harmonize across all	This will not impact premiums
	motorcycle must possess a valid driver's licence. Where the operator fails to have the proper class of licence, the policy will be issued at Driving Record 0. If evidence of the correct class of licence is not provided to the Servicing Carrier within 30 days, the policy will be	For purposes of policy issuance, the operator of a motorcycle must possess a valid driver's licence. Where the operator fails to have the proper class of licence, the policy will be issued at Driving Record 0. If evidence of the correct class of licence is not provided to the Servicing Carrier within 30 days, the policy will be cancelled by registered letter.	jurisdictions	
	4. Age	4. Age		
	The driver's age on the last birthday preceding the commencement date of the period of insurance. In the case of an additional or substitute driver, the driver's age as of the effective date of the addition/substitution. No grace period is permitted with respect to age. If for example, the driver will be 21 two days after the effective date of the policy, the policy must be issued on the basis that the insured is 20 as that was the Insured's age at the commencement of the period of insurance. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01 a.m. following the date the Servicing Carrier receives the request and backdating will not be permissible	The driver's age on the last birthday preceding the commencement date of the period of insurance. In the case of an additional or substitute driver, the driver's age as of the effective date of the addition/substitution. No grace period is permitted with respect to age. If for example, the driver will be 21 two days after the effective date of the policy, the policy must be issued on the basis that the insured is 20 as that was the Insured's age at the commencement of the period of insurance. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01 a.m. following the date the Servicing Carrier receives the request and backdating will not be permissible		
	Where the Applicant, actual owner or operator holds only a learner's licence/permit or level one licence, the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. Refer to Rule 409:B.1 Driving Record Entitlement. Accumulation of experience begins only when a	5. New Drivers Where the Applicant, actual owner or operator holds only a Learner's Licence/Permit or Level One Licence, the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. Refer to Rule 409:B.1 Driving Record Entitlement.		
	permanent licence (level 2) is obtained. A newly licensed driver will qualify for only Driving Record 0 for the first year. 'Newly licensed' does not include learner's licence/permit or level one licence.	Accumulation of experience begins only when a permanent licence (Level 2) is obtained. A newly licensed driver will qualify for only Driving Record 0 for the first year. 'Newly licensed' does not include Learner's Licence/Permit or Level One Licence.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 409.B. Motorcycle & Mopeds	A licensed (level 2 or 3 for graduated licensing) new driver with driver training shall be rated at Driving Record 3, provided that the driver has no at fault accidents or no licence suspensions at the commencement of the period of insurance.	A licensed (Level 2 or 3 for graduated licensing) new driver with Driver Training shall be rated at Driving Record 3, provided that the driver has no at fault accidents or no licence suspensions at the commencement of the period of insurance.	Words being capitalized to harmonize across all jurisdictions	This will not impact premiums
	6. Driver Training Successful completion of the Motorcycle Driver Training Program approved by the Canada Safety Council or any training program approved by the appropriate Ministry of Transportation where the programme also has the authority to issue motorcycle licences.	6. Driver Training Successful completion of the Motorcycle Driver Training Program approved by the Canada Safety Council or any training program approved by the appropriate Ministry of Transportation where the programme also has the authority to issue motorcycle licences.		