

November 2025

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.

FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1, 2026

Rule	Current Wording	Approved Wording	Change from Current	Premium 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: <table><tr><th>Tier</th><th>Description</th><th>Discount</th></tr><tr><td>Tier 1</td><td>Driver/Vehicle monitoring Service</td><td>7%</td></tr><tr><td>Tier 2</td><td>Driver/ Vehicle monitoring service and Personalised Driver Coaching</td><td>15%</td></tr></table> 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	Tier	Description	Discount	Tier 1	Driver/Vehicle monitoring Service	7%	Tier 2	Driver/ Vehicle monitoring service and Personalised Driver Coaching	15%	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: <table><tr><th>Tier</th><th>Description</th><th>Discount</th></tr><tr><td>Tier 1</td><td>Driver/Vehicle monitoring Service</td><td>7%</td></tr><tr><td>Tier 2</td><td>Driver/ Vehicle monitoring service and Personalised Driver Coaching</td><td>15%</td></tr></table> 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	Tier	Description	Discount	Tier 1	Driver/Vehicle monitoring Service	7%	Tier 2	Driver/ Vehicle monitoring service and Personalised Driver Coaching	15%	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
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SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1, 2026

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.

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 applicable 1	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).	1. 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

September 2025

**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 Grid 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.

FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE JANUARY 1, 2026

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

FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE JANUARY 1, 2026

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 (<i>Applicable New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island</i>) 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. Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required when binding a new risk.	On the current standard approved application form (<i>Applicable New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island</i>) 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. Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required when binding a new risk.	Comments added for clarification of CVS must be signed by the Named Insured	This will not impact premiums

May 2025

**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.

April 2025

**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.

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FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

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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 <u>Towing Vehicles</u> Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1 <table><tr><th colspan="2">Towing Vehicles</th></tr><tr><th>Coverage</th><th>Description</th></tr><tr><td>Liability</td><td>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.</td></tr></table> ...	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 <u>Towing Vehicles</u> Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1 <table><tr><th colspan="2">Towing Vehicles</th></tr><tr><th>Coverage</th><th>Description</th></tr><tr><td>Liability</td><td>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.</td></tr></table> ...	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																				
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Rule 226.C Accident and Conviction Surcharges Table	C. Accident/Conviction Surcharge Table <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td colspan="2">Chargeable Accidents:</td></tr><tr><td>2</td><td>0%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td colspan="2">Major Convictions</td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr></table>	Events in the preceding 36 months	Surcharge	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%. <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td colspan="2">Chargeable Accidents:</td></tr><tr><td>2</td><td>20%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td colspan="2">Major Convictions</td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr></table>	Events in the preceding 36 months	Surcharge	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
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FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 226.C Accident and Conviction Surcharges Table	Minor Convictions 2 5% 3 15% 4 25% Each additional 15% Serious Convictions 1 100% Each additional 100% Maximum surcharge for accidents and all convictions 200% for underage principal operator No maximum for any other operator	Minor Convictions 2 5% 3 15% 4 25% Each additional 15% Events in the preceding 48 months Serious Convictions 1 100% Each additional 100% Maximum 200% surcharge for accidents and all convictions for underage principal operator No maximum for any other operator	FA aims to harmonize with all other jurisdictions	This may impact premiums
Rule 228: Outside Province Exposure	A. Outside Province Exposure Surcharge (excluding Interurban Vehicles) ... B. Currency Differential Surcharge (Excluding Interurban Vehicles) 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. The surcharge percentage is calculated by means of the following formula: Currency differential x Percentage of U.S. exposure <i>For example:</i>	A. Outside Province Exposure Surcharge (excluding Interurban Vehicles) ... B. Currency Differential Surcharge (Excluding Interurban Vehicles) 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. The surcharge percentage is calculated by means of the following formula: Currency differential x Percentage of U.S. exposure <i>For example:</i>	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium

FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

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. 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. This surcharge is an additional surcharge and not to be compounded. Example: The Liability premium is:			

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Rule 228: Outside Province Exposure	dollar value of the Currency Differential Surcharge is \$78. The total combined dollar value is \$578, well exceeding the minimum required. C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	dollar value of the Currency Differential Surcharge is \$78. The total combined dollar value is \$578, well exceeding the minimum required. B. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This will impact premium																																
PUBLIC SECTION																																				
Rule 306: Rating Territories	The rating territories are described in Rule 339: Territories. ... For vehicles used in jurisdictions other than Alberta, refer to Rule 325 and 330. Outside Alberta exposure surcharge and currency differential surcharge are to be applied where required	The rating territories are described in Rule 339: Territories. ... For vehicles used in jurisdictions other than Alberta, refer to Rule 325 and 330. Outside Alberta Province/Territory including U.S. exposure surcharge and currency differential surcharge are to be applied where required	Currency differential surcharge will be discontinued	This may impact premium																																
Rule 308.E: Rating	E. Premium Determination Ensure that the vehicle is a public vehicle. ... 6. Apply any required Outside Alberta exposure surcharge and currency differential surcharge.	E. Premium Determination Ensure that the vehicle is a public vehicle. ... 6. Apply any required Outside Alberta Province/ Territory including U.S. exposure surcharge and currency differential surcharge .	Currency differential surcharge will be discontinued	This may impact premium																																
Rule 323.C Accident and Conviction Surcharges Table	C. Accident/Conviction Surcharge Table <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td>Chargeable Accidents:</td><td></td></tr><tr><td>2</td><td>0%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Major Convictions</td><td></td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr></table>	Events in the preceding 36 months	Surcharge	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%. <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td>Chargeable Accidents:</td><td></td></tr><tr><td>2</td><td>20%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Major Convictions</td><td></td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr></table>	Events in the preceding 36 months	Surcharge	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
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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 323.C Accident and Conviction Surcharges Table	Minor Convictions 2 5% 3 15% 4 25% Each additional 15% Serious Convictions 1 100% Each additional 100% Maximum surcharge for accidents and all convictions 200% for underage principal operator No maximum for any other operator	Minor Convictions 2 5% 3 15% 4 25% Each additional 15% Events in the preceding 48 months Serious Convictions 1 100% Each additional 100% Maximum surcharge for accidents and all convictions 200% for underage principal operator No maximum for any other operator	FA aims to harmonize with all other jurisdictions	This may impact premiums
Rule 325: Outside Alberta Exposure	Rule 325: Outside Alberta Exposure A. Outside Alberta Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. 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. 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 total mileage that the vehicle will be used outside Alberta and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 330 and the relevant section of the manual. If this 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.	Rule 325: Outside Alberta Province Exposure A. Outside Alberta Province Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. 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. 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 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. Refer to Rule 330. and the relevant section of the manual. If this 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.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium

FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies																																								
Rule 325: Outside Alberta Exposure	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. Liability, DCPD and Accident Benefits For each percentage point of total mileage in another Canadian jurisdiction or the U.S., surcharge 1% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table> Optional Physical Damage For each percentage point of total mileage in another Canadian jurisdiction or the U.S., surcharge 0.5% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>5%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to	Outside Alberta Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	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. 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 applicable premium <i>For example:</i> <table><tr><th>Outside Alberta Province Exposure</th><th>Applicable Surcharge</th></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table> Optional Physical Damage For each percentage point of total mileage in the U.S. or applicable another Canadian jurisdiction or the U.S., surcharge 0.50% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Province Exposure</th><th>Applicable Surcharge</th></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>5%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability	Outside Alberta Province Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Province Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
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Rule 325: Outside Alberta Exposure	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 <i>For example:</i> 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: <table><tr><td>The Liability premium is</td><td>\$1,000</td></tr><tr><td>U.S. Exposure Surcharge is</td><td>25%</td></tr><tr><td>The Currency Differential Surcharge is</td><td>7.75%</td></tr><tr><td>Base Premium =</td><td>\$1,000</td></tr><tr><td>U.S. Exposure \$1,000 X .25 =</td><td>\$250</td></tr><tr><td>Currency Differential \$1,000 X 7.75 =</td><td>77.50 = \$78</td></tr><tr><td>Total Liability premium =</td><td>\$1,328</td></tr></table> 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.	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	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 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: <table><tr><td>The Liability premium is</td><td>\$1,000</td></tr><tr><td>U.S. Exposure Surcharge is</td><td>25%</td></tr><tr><td>The Currency Differential Surcharge is</td><td>7.75%</td></tr><tr><td>Base Premium =</td><td>\$1,000</td></tr><tr><td>U.S. Exposure \$1,000 X .25 =</td><td>\$250</td></tr><tr><td>Currency Differential \$1,000 X 7.75 =</td><td>77.50 = \$78</td></tr><tr><td>Total Liability premium =</td><td>\$1,328</td></tr></table> 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.	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	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325: Outside Alberta Exposure	<i>For example:</i> 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. 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: $0.31 \times 25\% = 7.75\%$ 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 \times .25 =$ \$250 Currency Differential $\\$1,000 \times 7.75 = 77.50 =$ \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance.	<i>For example:</i> 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. 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: $0.31 \times 25\% = 7.75\%$ 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 \times .25 =$ \$250 Currency Differential $\\$1,000 \times 7.75 = 77.50 =$ \$78 Total Liability premium = \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium

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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

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Rule 330: 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 325 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																																																										
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Rule 419.D.3 Time on Risk Tables	D. Short Term Tables No. 3 and No. 4 (seasonal use vehicles) ... 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 U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required.	D. Short Term Tables No. 3 and No. 4 (seasonal use vehicles) ... 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.	Include/change reference of U.S. Exposure to Outside Province/ Territory Exposure.	This may impact premium																																																										
Rule 425.C Accident and Conviction Surcharges Table	C. Accident/Conviction Surcharge Table <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td>Chargeable Accidents:</td><td></td></tr><tr><td>2</td><td>0%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Major Convictions</td><td></td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr><tr><td>Minor Convictions</td><td></td></tr><tr><td>2</td><td>5%</td></tr><tr><td>3</td><td>15%</td></tr><tr><td>4</td><td>25%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Serious Convictions</td><td></td></tr><tr><td>1</td><td>100%</td></tr></table>	Events in the preceding 36 months	Surcharge	Chargeable Accidents:		2	0%	3	30%	Each additional	15%	Major Convictions		1	25%	Each additional	25%	Minor Convictions		2	5%	3	15%	4	25%	Each additional	15%	Serious Convictions		1	100%	C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 250%. <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td>Chargeable Accidents:</td><td></td></tr><tr><td>2</td><td>20%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Major Convictions</td><td></td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr><tr><td>Minor Convictions</td><td></td></tr><tr><td>2</td><td>5%</td></tr><tr><td>3</td><td>15%</td></tr><tr><td>4</td><td>25%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Events in the preceding 48 months</td><td>Surcharge</td></tr></table>	Events in the preceding 36 months	Surcharge	Chargeable Accidents:		2	20%	3	30%	Each additional	15%	Major Convictions		1	25%	Each additional	25%	Minor Convictions		2	5%	3	15%	4	25%	Each additional	15%	Events in the preceding 48 months	Surcharge	FA aims to harmonize with all other jurisdictions	This may impact premiums
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Rule 425.C Accident and Conviction Surcharges Table	Each additional 100% Maximum surcharge for accidents and all convictions 200% for underage principal operator No maximum for any other operator	Serious Convictions 1 Each additional 100% Maximum 200% surcharge for accidents and all convictions 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	Rule 427: Outside Alberta Exposure A. Outside Alberta Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to a surcharge. This surcharge shall apply to recreational vehicles where proof of insurance is required and where the vehicles are used for business, commercial purposes or are carrying passengers. 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 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 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. 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. Liability, DCPD, Accident Benefits, END 44 For each percentage point of total mileage in another Canadian jurisdiction or the U.S., surcharge 1% of the applicable premium.	Rule 427: Outside Province Exposure A. Outside Province Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to a surcharge. This surcharge shall apply to recreational all classes of vehicles where proof of insurance is required and where the vehicles are used for business, commercial purposes or are carrying passengers. 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 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. Refer to Rule 433. If this 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. 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. Liability, Accident Benefits, DCPD, END 44 For each percentage point of total mileage in another Canadian jurisdiction or the U.S., surcharge 1% of the applicable premium.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premiums

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Rule 427: Outside Alberta Exposure	<i>For example:</i> <table><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table> Optional Physical Damage For each percentage point of total mileage in another Canadian jurisdiction or the U.S., surcharge .5% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>5%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> 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.	Outside Alberta Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	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, DCPD and END 44. If this exposure is over 5.0% of total mileage in the U.S. or applicable Canadian jurisdiction, surcharge 1% of the applicable premium <i>For example:</i> <table><tr><th>Outside Alberta Province Exposure</th><th>Applicable Surcharge</th></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table> Optional Physical Damage For each percentage point of total mileage in the U.S. or applicable another Canadian jurisdiction or the U.S., surcharge 0.50% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Province Exposure</th><th>Applicable Surcharge</th></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>5%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> 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.	Outside Alberta Province Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Province Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premiums
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FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 427: Outside Alberta Exposure	The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge <i>For example:</i> 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 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. <i>For example:</i> 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 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 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. 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

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FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 427: Outside Alberta Exposure	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
Rule 433: 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 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 same jurisdiction, refer to Rule 406: D 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 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

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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 SECTION				
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

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Rule 607: Territory and Outside Alberta Exposure	will apply to the Basic Garage Premium for Liability, DCPD, Accident Benefits, and END 81 premiums. Basic Garage Premium - Liability, DCPD, and Accident Benefits, END 81 For each percentage point of total mileage outside Alberta, surcharge 1% of the applicable premium. <i>For example:</i> <table><tr><td>Outside Alberta Exposure</td><td>Applicable Surcharge</td></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table> Basic Garage Premium – Optional Physical Damage For each percentage point of total mileage outside Alberta, surcharge .5% of the applicable premium. <i>For example:</i> <table><tr><td>Outside Alberta Exposure</td><td>Applicable Surcharge</td></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> 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.	Outside Alberta Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Exposure	Applicable Surcharge	6%	3%	10%	10%	25%	12.5%	50%	25%	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 will apply to the Basic Garage Premium for Liability, DCPD, Accident Benefits, and END 81 premiums. Basic Garage Premium - Liability, and Accident Benefits, DCPD,END 81 For each percentage point of total mileage outside Alberta, 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, DCPD and END 81. If this exposure is over 5.0% of total mileage in the U.S. or applicable Canadian jurisdiction, surcharge 1% of the applicable premium. <i>For example:</i> <table><tr><td>Outside Alberta Province Exposure</td><td>Applicable Surcharge</td></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table> Basic Garage Premium – Optional Physical Damage For each percentage point of total mileage in the U.S or applicable Canadian jurisdiction outside Alberta, surcharge .50% of the applicable premium. <i>For example:</i> <table><tr><td>Outside Alberta Province Exposure</td><td>Applicable Surcharge</td></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> 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.	Outside Alberta Province Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Province Exposure	Applicable Surcharge	6%	3%	10%	10%	25%	12.5%	50%	25%	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
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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. 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. • 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. 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) Currency differential surcharge is 0.31 X .25 = .0775 <table><tr><td>Liability premium</td><td>\$1,000</td></tr><tr><td>Outside Alberta exposure surcharge</td><td>.25</td></tr><tr><td>Currency differential surcharge</td><td>.0775</td></tr><tr><td>Base premium</td><td>\$1,000</td></tr><tr><td>Outside Alberta exposure \$1,000 X .25</td><td>\$250</td></tr></table>	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	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. 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. • 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. 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) Currency differential surcharge is 0.31 X .25 = .0775 <table><tr><td>Liability premium</td><td>\$1,000</td></tr><tr><td>Outside Alberta exposure surcharge</td><td>.25</td></tr><tr><td>Currency differential surcharge</td><td>.0775</td></tr><tr><td>Base premium</td><td>\$1,000</td></tr><tr><td>Outside Alberta exposure \$1,000 X .25</td><td>\$250</td></tr></table>	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	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This will impact premium
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Rule 623.A Conviction Definitions and Surcharge Tables	A. Conviction Surcharge Table <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td>Major Convictions</td><td></td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr><tr><td>Minor Convictions</td><td></td></tr><tr><td>2</td><td>5%</td></tr><tr><td>3</td><td>15%</td></tr><tr><td>4</td><td>25%</td></tr><tr><td>Each additional</td><td>15%</td></tr></table> <table><tr><th>Events in the preceding 48</th><th>Surcharge</th></tr><tr><td>Serious Convictions</td><td></td></tr><tr><td>1</td><td>100%</td></tr><tr><td>Each additional</td><td>100%</td></tr></table>	Events in the preceding 36 months	Surcharge	Major Convictions		1	25%	Each additional	25%	Minor Convictions		2	5%	3	15%	4	25%	Each additional	15%	Events in the preceding 48	Surcharge	Serious Convictions		1	100%	Each additional	100%	A. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 250% <table><tr><th>Events in the preceding 36 months</th><th>Surcharge</th></tr><tr><td>Chargeable Accidents:</td><td></td></tr><tr><td>2</td><td>20%</td></tr><tr><td>3</td><td>30%</td></tr><tr><td>Each additional</td><td>15%</td></tr><tr><td>Major Convictions</td><td></td></tr><tr><td>1</td><td>25%</td></tr><tr><td>Each additional</td><td>25%</td></tr><tr><td>Minor Convictions</td><td></td></tr><tr><td>2</td><td>5%</td></tr><tr><td>3</td><td>15%</td></tr><tr><td>4</td><td>25%</td></tr><tr><td>Each additional</td><td>15%</td></tr></table> <table><tr><th>Events in the preceding 48</th><th>Surcharge</th></tr><tr><td>Serious Convictions</td><td></td></tr><tr><td>1</td><td>100%</td></tr><tr><td>Each additional</td><td>100%</td></tr></table>	Events in the preceding 36 months	Surcharge	Chargeable Accidents:		2	20%	3	30%	Each additional	15%	Major Convictions		1	25%	Each additional	25%	Minor Convictions		2	5%	3	15%	4	25%	Each additional	15%	Events in the preceding 48	Surcharge	Serious Convictions		1	100%	Each additional	100%	To harmonize with all other jurisdictions.	This may impact premiums
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Rule 726: Outside Alberta Exposure	Rule 726: Outside Alberta Exposure A. Outside Alberta Exposure Surcharge Any driver operating a non-owned vehicle in another Canadian jurisdiction or the U.S. is subject to the Outside Alberta exposure surcharge. The surcharge does not apply where the non-owned vehicle is used for personal use (non-business use) and proof of insurance is not required.	Rule 726: Outside Alberta Province Exposure A. Outside Alberta Province Exposure Any driver operating a non-owned vehicle in another Canadian jurisdiction or the U.S. is subject to the Outside Alberta exposure a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required or where the vehicles are used for business, commercial purposes or are carrying passengers.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium																																																																				

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Rule 726: Outside Alberta Exposure	The Insured must advise the Agent/Broker the percentage of total mileage that the Insured will be using a non-owned vehicle 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 will apply to Liability, Accident Benefits, and END 44. NOTE: Where non-owned vehicles are operated in the U.S., Insureds must be asked whether or not proof of insurance must be filed and, if so, in what amount. Liability, Accident Benefits, END 44 For each percentage point of total mileage in another applicable Canadian jurisdiction or the U.S., surcharge 1% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table>	Outside Alberta Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	The surcharge does not apply where the non-owned vehicle is used for personal use (non-business use) and proof of insurance is not required. The Insured must advise the Agent/Broker the percentage of total mileage that the Insured will be using a non-owned 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. 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 will apply to Liability, Accident Benefits, and END 44. NOTE: Where non-owned vehicles are operated in the U.S., Agents/Brokers must ask Insureds must be asked whether or not proof of insurance must be filed and, if so, in what amount. Liability, Accident Benefits, END 44 For each percentage point of total mileage in another applicable 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 END 44. If this exposure is over 5.0% of total mileage in the U.S. or applicable Canadian jurisdiction, surcharge 1% of the applicable premium <i>For example:</i> <table><tr><th>Outside Alberta Province Exposure</th><th>Applicable Surcharge</th></tr><tr><td>Up to 5% and proof of insurance required</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr><tr><td>25%</td><td>25%</td></tr><tr><td>50%</td><td>50%</td></tr></table>	Outside Alberta Province Exposure	Applicable Surcharge	Up to 5% and proof of insurance required	5%	10%	10%	25%	25%	50%	50%	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
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Rule 726: Outside Alberta Exposure	Optional Physical Damage For each percentage point of total mileage in another applicable Canadian jurisdiction or the U.S., surcharge .5% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>5%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> 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. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge <i>For example:</i> 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.	Outside Alberta Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	Optional Physical Damage For each percentage point of total mileage in the U.S or another applicable Canadian jurisdiction or the U.S., surcharge .50% of the applicable premium. <i>For example:</i> <table><tr><th>Outside Alberta Province Exposure</th><th>Applicable Surcharge</th></tr><tr><td>6%</td><td>3%</td></tr><tr><td>10%</td><td>5%</td></tr><tr><td>25%</td><td>12.5%</td></tr><tr><td>50%</td><td>25%</td></tr></table> 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. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge <i>For example:</i> 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.	Outside Alberta Province Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
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Rule 726: Outside Alberta Exposure	3. Additional to but not compounded on the U.S. exposure surcharge. Example: <table><tr><td>The Liability premium is</td><td>\$1,000</td></tr><tr><td>U.S. Exposure Surcharge is</td><td>25%</td></tr><tr><td>The Currency Differential Surcharge is</td><td>7.75%</td></tr><tr><td>Base Premium =</td><td>\$1,000</td></tr><tr><td>U.S. Exposure \$1,000 X .25 =</td><td>\$250</td></tr><tr><td>Currency Differential \$1,000 X 7.75 =</td><td>77.50 = \$78</td></tr><tr><td>Total Liability premium =</td><td>\$1,328</td></tr></table> 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. <i>For example:</i> 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. 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 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	3. Additional to but not compounded on the U.S. exposure surcharge. Example: <table><tr><td>The Liability premium is</td><td>\$1,000</td></tr><tr><td>U.S. Exposure Surcharge is</td><td>25%</td></tr><tr><td>The Currency Differential Surcharge is</td><td>7.75%</td></tr><tr><td>Base Premium =</td><td>\$1,000</td></tr><tr><td>U.S. Exposure \$1,000 X .25 =</td><td>\$250</td></tr><tr><td>Currency Differential \$1,000 X 7.75 =</td><td>77.50 = \$78</td></tr><tr><td>Total Liability premium =</td><td>\$1,328</td></tr></table> 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. <i>For example:</i> 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. 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 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	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This may impact premium
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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																															
Rule 728: Non-Owned Vehicles Used Outside Jurisdiction of Registration	<i>For example:</i> The Insured resides in Alberta and the non-owned vehicle is registered in that jurisdiction; however, the Insured will be travelling the Atlantic provinces for the next year. 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):	<i>For example:</i> The Insured resides in Alberta and the non-owned vehicle is registered in that jurisdiction; however, the Insured will be travelling the Atlantic provinces for the next year. When a non-owned vehicle is registered in Alberta jurisdiction but garaged or chiefly used in another jurisdiction, the	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium																												

FACILITY ASSOCIATION ALBERTA RULE & RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE AUGUST 1, 2025

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 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	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 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

January 2025

**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.

FACILITY ASSOCIATION ALBERTA RULES AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGE EFFECTIVE JUNE 1, 2025

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies																																																
RECREATIONAL SECTION																																																				
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 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. <table><tr><th>Years Licensed</th><th>Learner Level 1</th><th>Valid or Level 2 No DTC</th><th>Valid or Level 2 DTC</th></tr><tr><td>Less than 1</td><td>0</td><td>0</td><td>3</td></tr><tr><td>1 Year</td><td>0</td><td>1</td><td>3</td></tr><tr><td>2 Years</td><td>0</td><td>2</td><td>3</td></tr><tr><td>3 Years</td><td>0</td><td>3</td><td>3</td></tr></table> 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:	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	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/Permit or Level One Licence, the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. <table><tr><th>Years Licensed</th><th>Learner Level 1</th><th>Valid or Level 2 No DTC</th><th>Valid or Level 2 DTC</th></tr><tr><td>Less than 1</td><td>0</td><td>0</td><td>3</td></tr><tr><td>1 year</td><td>0</td><td>1</td><td>3</td></tr><tr><td>2 years</td><td>0</td><td>2</td><td>3</td></tr><tr><td>3 years</td><td>0</td><td>3</td><td>3</td></tr><tr><td>4 years</td><td>0</td><td>4</td><td>4</td></tr><tr><td>5 years</td><td>0</td><td>5</td><td>5</td></tr></table> Where an accident or conviction surcharge (15% or 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:	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	Aligns the rule in the manual where accident or conviction surcharge (15% or more DR 3 shall be allowed Outlines where driving record applies to which coverage	This may impact premiums
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																																																	
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																																																	

FACILITY ASSOCIATION ALBERTA RULES AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGE EFFECTIVE JUNE 1, 2025

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). <i>Example 1</i> Principal operator is eligible for Driving Record 4. Driver has 6 month suspension for demerit points. Now qualifies for Driving Record 3. <i>Example 2</i> 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). <i>Example 1</i> Principal operator is eligible for Driving Record 4. Driver has 6 month suspension for demerit points. Now qualifies for Driving Record 3. <i>Example 2</i> 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.	Words being capitalized to harmonize across all jurisdictions	This will not impact premiums

FACILITY ASSOCIATION ALBERTA RULES AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGE EFFECTIVE JUNE 1, 2025

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. 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. 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 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. 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.	The operator of a Moped must meet the licence requirements of the jurisdiction in which the vehicle is operated. 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. 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 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. 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.	Words being capitalized to harmonize across all jurisdictions	This will not impact premiums

FACILITY ASSOCIATION ALBERTA RULES AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGE EFFECTIVE JUNE 1, 2025

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. 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.	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. 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.	Words being capitalized to harmonize across all jurisdictions	This will not impact premiums