

October 2022

**Manual of Rules and Rates
ALBERTA**

**Revised Private Passenger Grid Rates
Effective January 1, 2023 (New Business and Renewals)**

Effective January 1, 2023 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. 01-2022, Private Passenger Grid premiums have been increased +10.0% **effective January 1, 2023 for New Business and Renewals.**

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

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

June 2022

**Manual of Rules and Rates
ALBERTA**

**Revised Commercial Rule Changes
Effective October 1, 2022 (New Business and Renewals)**

Effective October 1, 2022 Facility Association is implementing the following updates for new business and renewals in Alberta:

- Commercial Rule 228 in the manual has been amended.

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

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

**FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE OCTOBER 1, 2022**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
COMMERCIAL SECTION				
<p>228: Outside Province Exposure</p>	<p>Rule 228: Outside Alberta Exposure</p> <p>A. Outside Alberta Exposure Surcharge</p> <p>Any commercial vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to a surcharge.</p> <p>The surcharge does not apply where the vehicle is used for personal use only or artisan use i.e. Class 07 or Class 35 and proof of insurance is not required.</p> <p>Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required on vehicles traveling outside of the jurisdiction of registration, including into the U.S.</p> <p>The percentage of Out of Province Exposure will be determined based on the International Fuel Tax Assessment (IFTA) reports from the last four (4) quarters immediately preceding the effective date of the policy or endorsement.</p> <p>If the Named Insured(s) has no prior insurance, refer to Rule 204.G: No Prior Insurance with Out-of-Province including U.S. Exposure.</p> <p>If the Named Insured does not participate in IFTA, please contact your Servicing Carrier for the</p>	<p>Rule 228: Outside Province Exposure</p> <p>Any commercial or interurban vehicle that is operated in the U.S., or another Canadian jurisdiction, is subject to a surcharge.</p> <p>The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required.</p> <p>Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required on vehicles traveling outside of the jurisdiction of registration, including into the U.S.</p> <p>If the Named Insured(s) has no prior insurance, refer to Rule 204.G: No Prior Insurance with Out-of-Province including U.S. Exposure</p> <p>A. Outside Province Exposure Surcharge (excluding Interurban Vehicles)</p> <p><i>For Interurban vehicles (Class 61, 62, 63, 64, 99), refer to Rule 228.C to determine the applicable surcharges.</i></p> <p>The percentage of exposure outside the Province, including the U.S., will be determined based on the International Fuel Tax Agreement (IFTA) assessment reports from the last four (4) quarters immediately preceding the effective date of the policy or endorsement.</p> <p>If the Named Insured does not participate in IFTA, please contact your Servicing Carrier for the documents required to confirm the percentage of</p>	<p>Harmonize the name of the surcharge across all provinces & territories</p> <p>Clarifies wording and indicates this section excludes IU vehicles.</p>	<p>This will not impact premiums.</p> <p>This may impact premiums on Interurban Vehicles</p>

**FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL
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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies																																						
	<p>documents required to confirm the percentage of U.S. exposure.</p> <p>If this exposure is 5.0% or less of total mileage, a 5% surcharge will apply to Liability, DCPD, Accident Benefits, and END 44.</p> <p>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. If eligible, U.S. Filings will be completed using the <u>minimum</u> FMCSA required limit based on the type of carriage, commodity transported and State required.</p> <p>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.</p> <p><i>For example:</i></p> <table border="1" data-bbox="457 862 1041 1024"> <thead> <tr> <th>Outside Alberta Exposure</th> <th>Applicable Surcharge</th> </tr> </thead> <tbody> <tr> <td>Up to 5%</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> </tbody> </table> <p>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.</p> <p><i>For example:</i></p> <table border="1" data-bbox="457 1203 1041 1365"> <thead> <tr> <th>Outside Alberta Exposure</th> <th>Applicable Surcharge</th> </tr> </thead> <tbody> <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> </tbody> </table>	Outside Alberta Exposure	Applicable Surcharge	Up to 5%	5%	10%	10%	25%	25%	50%	50%	Outside Alberta Exposure	Applicable Surcharge	6%	3%	10%	5%	25%	12.5%	50%	25%	<p>exposure outside the Province, including U.S. exposure.</p> <p>If this exposure is 5.0% or less of total mileage, a 5% surcharge will apply to Liability, Accident Benefits, DCPD and END 44.</p> <p>NOTE: Where 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. If eligible, U.S. Filings will be completed using the <u>minimum</u> FMCSA required limit based on the type of carriage, commodity transported and State required.</p> <p>Liability, Accident Benefits, DCPD, END 44 For each percentage point of total mileage in the U.S. or applicable Canadian jurisdiction, surcharge 1% of the applicable premium.</p> <p><i>For example:</i></p> <table border="1" data-bbox="1056 862 1623 1024"> <thead> <tr> <th>Outside Province Exposure</th> <th>Applicable Surcharge</th> </tr> </thead> <tbody> <tr> <td>Up to 5%</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> </tbody> </table> <p>Optional Physical Damage For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge .50% of the applicable premium.</p> <p><i>For example:</i></p> <table border="1" data-bbox="1056 1203 1623 1365"> <thead> <tr> <th>Outside Province Exposure</th> <th>Applicable Surcharge</th> </tr> </thead> <tbody> <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> </tbody> </table>	Outside Province Exposure	Applicable Surcharge	Up to 5%	5%	10%	10%	25%	25%	50%	50%	Outside Province Exposure	Applicable Surcharge	10%	5%	25%	12.5%	50%	25%	<p>Harmonize wording across jurisdiction</p> <p>Harmonize wording across jurisdiction</p>	<p>This will not impact premiums</p> <p>This will not impact premiums</p>
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**FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE OCTOBER 1, 2022**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<p>B. Currency Differential Surcharge</p> <p>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.</p> <p>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.</p> <p>The surcharge percentage is calculated by means of the following formula:</p> <p>Currency differential x U.S. exposure surcharge</p> <p><i>For example:</i></p> <p>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%.</p> <p>Currency differential surcharge: 0.31 X 25% = 7.75%</p> <p>The currency differential surcharge is</p> <ol style="list-style-type: none"> 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. 	<p>B. Currency Differential Surcharge (Excluding Interurban Vehicles)</p> <p>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.</p> <p>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.</p> <p>The surcharge percentage is calculated by means of the following formula:</p> <p>Currency differential x Percentage of U.S. Exposure</p> <p><i>For example:</i></p> <p>The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The percentage of U.S. exposure is 25%.</p> <p>Currency differential surcharge: 0.31 X 25% = 7.75%</p> <p>The currency differential surcharge is</p> <ol style="list-style-type: none"> 1. Applied only to the Liability premium (Road and Passenger Hazard), not DCPD 2. Not subject to a minimum surcharge 3. This surcharge is additional to but not compounded on the Outside Province exposure surcharge. 	<p>Clarifies wording and indicates this section excludes IU vehicles.</p> <p>Clarifies how Currency Differential Surcharge is to be calculated</p>	<p>This will not impact premiums</p> <p>This will not impact premiums</p>

**FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE OCTOBER 1, 2022**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies						
		<p>If the Named Insured does not participate in IFTA, please contact your Servicing Carrier for the documents required to confirm the percentage of exposure outside the Province, including U.S. exposure.</p> <p>NOTE: Where 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. If eligible, U.S. Filings will be completed using the <u>minimum</u> FMCSA required limit based on the type of carriage, commodity transported and State required.</p> <p>The surcharges applicable to Interurban Vehicles (Class 61, 62, 63, 64 and 99) traveling outside of the jurisdiction of registration is based on the <u>total mileage</u> reported in Canada and the U.S., and shall be calculated as follows.</p> <p>Step 1: Determine the Canadian Out of Province Exposure.</p> <p>The Canadian Out of Province exposure is determined by how often the vehicle travels outside the jurisdiction of registration <u>within Canada</u>.</p> <p>a) If Canadian Out of Province Exposure (Operating outside Alberta, British Columbia, Manitoba and Saskatchewan) is <u>50% or less</u>:</p> <p>Where an Interurban vehicle is registered in Alberta and reports 50% or less of its total <u>Canadian</u> mileage traveling outside the Western Provinces (Alberta, British Columbia, Manitoba and Saskatchewan), surcharge 1% per percentage (%) of exposure applies to the total Canadian mileage.</p> <p><i>Example:</i></p> <table border="1" data-bbox="1058 1300 1625 1406"> <thead> <tr> <th>Canadian Out of Province Exposure</th> <th>Applicable Canadian Mileage Surcharge</th> </tr> </thead> <tbody> <tr> <td>5%</td> <td>5%</td> </tr> <tr> <td>10%</td> <td>10%</td> </tr> </tbody> </table>	Canadian Out of Province Exposure	Applicable Canadian Mileage Surcharge	5%	5%	10%	10%		
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**FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL
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		<table border="1" data-bbox="1060 321 1621 375"> <tr> <td>25%</td> <td>25%</td> </tr> <tr> <td>50%</td> <td>50%</td> </tr> </table> <p data-bbox="1060 402 1621 480"><i>b) If Canadian Out of Province Exposure (Operating outside Western Provinces) is over 50%:</i></p> <p data-bbox="1060 508 1621 634">Any Interurban vehicle registered in Alberta that reports more than 50% of its total mileage outside the Western Provinces (Alberta, British Columbia, Manitoba and Saskatchewan), is subject to the surcharge (or discount) outlined below.</p> <p data-bbox="1060 662 1621 740">To determine the surcharge (or discount) amount, select the Region where the majority of the exposure is incurred from the table below.</p> <table border="1" data-bbox="1060 764 1583 1057"> <thead> <tr> <th>Region</th> <th>Applicable Surcharge/Discount</th> </tr> </thead> <tbody> <tr> <td>Eastern Canada</td> <td>-15%</td> </tr> <tr> <td colspan="2"><i>'Eastern Canada' includes travel to Newfoundland & Labrador, New Brunswick, Nova Scotia, Prince Edward Island and Quebec</i></td> </tr> <tr> <td>Ontario</td> <td>260%</td> </tr> <tr> <td>Territories</td> <td>-30%</td> </tr> <tr> <td colspan="2"><i>'Territories' includes travel to the Northwest Territories, Nunavut and the Yukon Territories</i></td> </tr> </tbody> </table> <p data-bbox="1060 1084 1621 1211"><i>Example:</i> A vehicle registered in Alberta travels 70% of the time in Ontario, 10% in Alberta and 20% in Nova Scotia. As the vehicle has accumulated over 50% of the Canadian mileage in Ontario, a 260% surcharge applies.</p> <p data-bbox="1060 1239 1621 1317">If the vehicle travels across multiple Regions, where no clear majority exists, select the Region that generates the highest surcharge.</p> <p data-bbox="1060 1344 1621 1422"><i>Example:</i> A vehicle registered in Alberta travels 30% in the Western Provinces, 30% in Ontario, 30% in Atlantic Canada, including Quebec and 10% into</p>	25%	25%	50%	50%	Region	Applicable Surcharge/Discount	Eastern Canada	-15%	<i>'Eastern Canada' includes travel to Newfoundland & Labrador, New Brunswick, Nova Scotia, Prince Edward Island and Quebec</i>		Ontario	260%	Territories	-30%	<i>'Territories' includes travel to the Northwest Territories, Nunavut and the Yukon Territories</i>			
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		<p>the U.S. As the vehicle has equal exposure in Ontario and the Western Provinces, a 260% Ontario surcharge applies, as the surcharge amount is higher. The surcharge applicable to the U.S. exposure would be determined based on Step 2 below.</p> <p>Step 2: Determine U.S. Exposure</p> <p>Based on the total reported mileage (Canada and the U.S.), surcharge 1% per percentage (%) of exposure into the U.S.</p> <p><i>For example:</i></p> <table border="1" data-bbox="1058 678 1625 841"> <thead> <tr> <th>U.S. Exposure</th> <th>Applicable U.S. Surcharge</th> </tr> </thead> <tbody> <tr> <td>5%</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> </tbody> </table> <p>Step 3: Determine the Total Outside Province Exposure Surcharge applicable to the Interurban Vehicle</p> <p>The total surcharge applicable is determined by totaling the surcharge amounts calculated under Step 1 and Step 2.</p> <p>The total surcharge is applicable to Liability (BI and PD) and DCPD premiums.</p> <p><i>Example:</i></p> <p>Step 1: Canadian Out of Province Surcharge= 260% Step 2: U.S. Exposure Surcharge = <u>25%</u> Total Out of Province Exposure Surcharge 285%</p> <p>In the above example, a 260% surcharge would apply to Liability (BI and PD) and DCPD Premiums.</p>	U.S. Exposure	Applicable U.S. Surcharge	5%	5%	10%	10%	25%	25%	50%	50%		
U.S. Exposure	Applicable U.S. Surcharge													
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April 2022

**Manual of Rules and Rates
Alberta**

**2022 Private Passenger CLEAR Rate Groups and
2022 Commercial Rate Group Tables
Effective September 1, 2022 (New Business and Renewals)**

Effective September 1, 2022 Facility Association is implementing the following update for new business and renewals in Alberta:

- 2022 Private Passenger CLEAR Rate Group Tables now having an amended range of 1-13 for Accident Benefits rate groups;
- 2022 Commercial Rate Group Tables (Tables I and II)

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

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