

October 2022

**Manual of Rules and Rates
ALBERTA**

**Revised Interurban Rates and Various Rule Changes
Effective February 1, 2023 (New Business and Renewals)**

Effective February 1, 2023 Facility Association is implementing the following update for new business and renewals in Alberta:

- Revised Interurban rates. Overall, there is a change of +9.0%. Rates may vary depending upon individual policy circumstances.
- There are various rule changes in sections of the manual. A summary of the rule changes are 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 Servicing Carriers, to whom all enquiries should be addressed.

FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1 2023

Rule	Current Wording		Proposed Wording		Change from Current	Premium impact on existing policies
MULTIPLE SECTIONS (FOR CONSISTENCY)						
136.C 226.C 323.C 425.C 623.A 724.C Accident/Conviction Surcharge Table	1 Minor Conviction	0%	1 Minor Conviction	0%	Aligns Surcharge levels to be consistent across all jurisdiction	This will impact premiums
	2 Minor Convictions	0%	2 Minor Convictions	5%		
	3 Minor Convictions	10%	3 Minor Convictions	15%		
	4 Minor Convictions	25%	4 Minor Convictions	25%		
	Each additional Minor Conviction	15%	Each additional Minor Conviction	15%		
	1 Major Conviction	15%	1 Major Conviction	25%		
	Each additional Major Conviction	15%	Each additional Major Conviction	25%		
	1 Serious Conviction	100%	1 Serious Conviction	100%		
	Each additional Serious Conviction	100%	Each additional Serious Conviction	100%		
136.D.b & a 226.D.b & a 323.D.b & a 425.D.b & a 623.B.b & a 724.D.b & a Accident and Conviction Surcharge, Conviction Definition: Minor and Major	b. Minor The list of minor convictions is not all inclusive and other moving violations, including new offences added to an Act governing highway traffic, may be considered Minor, whether committed within or outside Canada, if not specifically named in the Major or Serious list, including but not limited to: - • Unlicensed driver: any type including improper licence class		REMOVED		Due to Bulletin 03-2022, Technical Guidance Change in Rates and Rating Programs, Conviction and Surcharges (Updated July 1, 2022)	This will impact premiums
136.D.b & a 226.D.b & a 323.D.b & a 425.D.b & a 623.B.b & a 724.D.b & a Accident and Conviction Surcharge, Conviction Definition: Minor and Major	b. Minor The list of minor convictions is not all inclusive and other moving violations, including new offences added to an Act governing highway traffic, may be considered Minor, whether committed within or outside Canada, if not specifically named in the Major or Serious list, including but not limited to: ... - Using handheld/operated electronic/wireless device		a. Major Convictions for any of the following offences under any Act governing highway traffic or for any offence substantially the same whether committed within or outside Canada: ... - Using a hand held wireless communication/entertainment device		Amends the named convictions from 'Minor' to 'Major' to align FA with treatment in the standard market	This will impact premiums

FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1 2023

Rule	Current Wording	Proposed Wording	Change from Current	Premium impact on existing policies
136.D.a & c 226.D.a & c 323.D.a & c 425.D.a & c 623.D.a & c 724.D.a & c Accident and Conviction Surcharge, Conviction Definition: Major and Serious	<p>a. Major Convictions for any of the following offences under any Act governing highway traffic or for any offence substantially the same whether committed within or outside Canada:</p> <ul style="list-style-type: none"> • Fail to report damage to highway property • Failing to report an accident • Failing, in the event of an accident, to give name and licence number to the police or any other person entitled to such information 	REMOVED	Due to Bulletin 03-2022, Technical Guidance Change in Rates and Rating Programs, Conviction and Surcharges (Updated July 1, 2022)	This will impact premiums
149.B 239.B 335.B 438.B Fleets, Fleet Rating	<p>Experience rating includes the following:</p> <ul style="list-style-type: none"> • Losses are taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim. • Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application. • Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer. • Claims falling within a specific deductible not offered by FA e.g. on an occurrence basis regardless of the coverage involved in the loss. • Amounts above FA deductibles when the prior Insurer had higher deductibles. • Losses falling within any special agreements with the prior Insurer. <p>NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided.</p>	<p>Experience rating includes the following:</p> <ul style="list-style-type: none"> • All losses (At-Fault and Not-at-fault) are always taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim; • Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; • Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer; • Claims falling within a specific deductible not offered by FA e.g. on an occurrence basis regardless of the coverage involved in the loss; • Amounts above FA deductibles when the prior Insurer had higher deductibles; • Losses falling within any special agreements with the prior Insurer. <p>NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided.</p>	Clarifies existing wording to indicate that at-fault and not-at-fault losses are used in fleet experience rating.	Will not impact premiums.
152 243	<p>20: Coverage for Transportation Replacement This endorsement provides coverage to pay for other means of transportation because of loss or damage to a described vehicle covered by END 20 caused by</p>	<p>20: Coverage for Transportation Replacement This endorsement provides coverage to pay for other means of transportation because of loss or damage to a described vehicle covered by END 20 caused by</p>	Expand coverage offers to allow	This will not impact current policyholders

FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1 2023

Rule	Current Wording	Proposed Wording	Change from Current	Premium impact on existing policies												
Endorsement Application to POL 1 (Owner's Policy) END 20	<p>an insured peril and where the amount of loss or damage exceeds the deductible.</p> <p>Rating</p> <p>Private Passenger Vehicles: \$50 net per annum for amount payable up to \$50 for any one day up to \$900</p> <p>Other Vehicles: Not offered. Refer to additional rules within manual for further information</p>	<p>an insured peril and where the amount of loss or damage exceeds the deductible.</p> <p>Rating</p> <p>Private Passenger Vehicles: The amount payable shall not exceed \$50 per day.</p> <table><tr><td>Total Limit per occurrence</td><td>Premium Annual</td><td>Premium six month policy</td></tr><tr><td>\$900</td><td>\$50</td><td>\$26</td></tr><tr><td>\$1200</td><td>\$65</td><td>\$34</td></tr><tr><td>\$1500</td><td>\$75</td><td>\$39</td></tr></table> <p>Other Vehicles: Not offered. Refer to additional rules within manual for further information.</p>	Total Limit per occurrence	Premium Annual	Premium six month policy	\$900	\$50	\$26	\$1200	\$65	\$34	\$1500	\$75	\$39	customer choice	rs with END 20 coverage. Policyholders will have more coverage choice.
Total Limit per occurrence	Premium Annual	Premium six month policy														
\$900	\$50	\$26														
\$1200	\$65	\$34														
\$1500	\$75	\$39														
152 244 338 442 Endorsement Application to POL 1 (Owner's Policy) END 35	<p>35: Coverage for Emergency Road Services This endorsement provides coverage in respect of towing and emergency service expenses necessitated by disablement of the vehicle.</p> <p>Rating: Net annual \$5 per vehicle.</p>	<p>35: Emergency Service Expense No longer available.</p> <p>Note: On existing policies where END 35 has been applied on a vehicle, the endorsement will remain until the vehicle is removed from the policy.</p>	Remove endorsement offering and clarifying that existing coverage will be grandfathered on existing risks.	This will not impact premiums.												
GENERAL SECTION																
Risk Not Specifically Provided For	<p>For any type of vehicle, coverage or use that is not specifically provided for in this manual, Agents/Brokers must contact their Servicing Carrier and provide details in writing when requested to do so.</p> <p>Where the Servicing Carrier requires assistance in these circumstances, the Servicing Carrier shall contact FA Head Office.</p>	<p>For any type of vehicle, coverage or use that is not specifically provided for in this manual, Agents/Brokers must contact their Servicing Carrier and provide details in writing when requested to do so.</p> <p>Where the Servicing Carrier requires assistance in these circumstances, the Servicing Carrier shall contact FA Head Office.</p>	Clarify that SPF 9 is not available through FA	This will not impact premiums.												

FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1 2023

Rule	Current Wording	Proposed Wording	Change from Current	Premium impact on existing policies												
	Note: 'Excess Automobile Liability Insurance' (POL 7) or 'Lessor's Contingent Insurance' (POL 8) are not available through Facility Association.	Note: 'Excess Automobile Liability Insurance' (POL 7) or 'Lessor's Contingent Insurance' (POL 8) and Transportation Network Policy (SPF 9) are not available through Facility Association.														
PRIVATE PASSENGER SECTION																
123.A & B: Commonly Used Endorsements, Coverage for Transportation Replacement Coverage and Legal Liability for Damage to Non-Owned Automobiles	A. Coverage for Transportation Replacement Coverage END 20 may be added to provide reimbursement for loss of use of the vehicle in the event there is loss or damage that is covered by the policy in excess of the deductible. This endorsement is only available for private passenger vehicles. This endorsement is not available on fleet vehicles, driver training vehicles, rental vehicles, short term lease vehicles, antique/classic vehicles, police or fire vehicles or private passenger vehicles used for commercial or public purposes whether or not rated in the Private Passenger Section. Amount Payable The amount payable shall not exceed \$50 per day or total more than \$900 per occurrence. Premium The premium charge is \$50 on an annual policy or \$26 on a six month policy. B. Legal Liability for Damage to Non-owned Automobiles END 27 may be added to cover the Insured's legal liability for loss or damage to non-owned vehicles including trailers. By non-owned we mean vehicles	A. Coverage for Transportation Replacement Coverage END 20 may be added to provide reimbursement for loss of use of the vehicle in the event there is loss or damage that is covered by the policy in excess of the deductible. This endorsement is only available for private passenger vehicles. This endorsement is not available on fleet vehicles, driver training vehicles, rental vehicles, short term lease vehicles, antique/classic vehicles, police or fire vehicles or private passenger vehicles used for commercial or public purposes whether or not rated in the Private Passenger Section. Amount Payable & Premium The amount payable shall not exceed \$50 per day. <table border="1"><tr><td>Total Limit per occurrence</td><td>Premium Annual</td><td>Premium six month policy</td></tr><tr><td>\$900</td><td>\$50</td><td>\$26</td></tr><tr><td>\$1200</td><td>\$65</td><td>\$34</td></tr><tr><td>\$1500</td><td>\$75</td><td>\$39</td></tr></table> B. Legal Liability for Damage to Non-owned Automobiles END 27 may be added to cover the Insured's legal liability for loss or damage to non-owned vehicles including trailers. By non-owned we mean vehicles	Total Limit per occurrence	Premium Annual	Premium six month policy	\$900	\$50	\$26	\$1200	\$65	\$34	\$1500	\$75	\$39	Expand coverage offers to allow customer choice	This will not impact current policyholders with END 20 and END 27 coverage. Policyholders will have more coverage choice.
Total Limit per occurrence	Premium Annual	Premium six month policy														
\$900	\$50	\$26														
\$1200	\$65	\$34														
\$1500	\$75	\$39														

FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1 2023

Rule	Current Wording	Proposed Wording	Change from Current	Premium impact on existing policies												
	<p>not owned by or licensed in the name of the Insured or any other person residing in the same dwelling premises. The Insured must specify the type of vehicle that will be in his/her possession. Coverage may only be offered where the Insured carries Collision and Comprehensive on his/her own vehicle insured on the policy.</p> <p>Amount Payable</p> <p>The coverage provided is Collision and Comprehensive. The limit of coverage provided by the endorsement is \$40,000 subject to a deductible of \$500.</p> <p>Premium</p> <p>The premium charge is \$50 on an annual policy or \$26 on a six month policy. This is a flat fee per policy term and is not pro rated when the endorsement is added midterm to a policy or deleted midterm from a policy unless the vehicle is deleted or the policy cancelled.</p>	<p>not owned by or licensed in the name of the Insured or any other person residing in the same dwelling premises. The Insured must specify the type of vehicle that will be in his/her possession. Coverage may only be offered where the Insured carries Collision and Comprehensive on his/her own vehicle insured on the policy.</p> <p>Amount Payable & Premium</p> <p>The coverage provided is Collision and Comprehensive. The limit of coverage provided by the endorsement is subject to a deductible of \$500.</p> <table><tr><td>Total Limit</td><td>Premium Annual</td><td>Premium six month policy</td></tr><tr><td>\$40,000</td><td>\$50</td><td>\$26</td></tr><tr><td>\$50,000</td><td>\$65</td><td>\$34</td></tr><tr><td>\$75,000</td><td>\$75</td><td>\$39</td></tr></table> <p>This is a flat fee per policy term and is not pro-rated when the endorsement is added midterm to a policy or deleted midterm from a policy unless the vehicle is deleted or the policy cancelled.</p>	Total Limit	Premium Annual	Premium six month policy	\$40,000	\$50	\$26	\$50,000	\$65	\$34	\$75,000	\$75	\$39		
Total Limit	Premium Annual	Premium six month policy														
\$40,000	\$50	\$26														
\$50,000	\$65	\$34														
\$75,000	\$75	\$39														
152: Endorsement Application to POL 1 (Owner's Policy) END 27	<p>Legal Liability for Damage to Non-Owned Automobile(s) and Providing Other Coverages when Insured Persons Drive, Rent or Lease Other Automobiles</p> <p>The purpose of the endorsement is to cover the Insured's legal liability for loss of or damage to a non-owned vehicle/trailer (not owned by or licensed in the name of the Insured or any other person residing in the same premises) arising from Collision and/or Comprehensive or Specified Perils. The Insured must specify the types of vehicle/trailer that may be in his custody. In addition, this endorsement extends the 'drive other automobiles' Liability and Accident Benefits coverage to persons other than the Insured and spouse.</p>	<p>Legal Liability for Damage to Non-Owned Automobile(s) and Providing Other Coverages when Insured Persons Drive, Rent or Lease Other Automobiles</p> <p>The purpose of the endorsement is to cover the Insured's legal liability for loss of or damage to a non-owned vehicle/trailer (not owned by or licensed in the name of the Insured or any other person residing in the same premises) arising from Collision and/or Comprehensive or Specified Perils. The Insured must specify the types of vehicle/trailer that may be in his custody. In addition, this endorsement extends the 'drive other automobiles' Liability and Accident Benefits coverage to persons other than the Insured and spouse.</p>	Expand coverage offers to allow customer choice	This will not impact current policyholders with END 27 coverage. Policyholders will have more coverage choice.												

FACILITY ASSOCIATION ALBERTA RULE AND RATES MANUAL

SUMMARY OF APPROVED RULE CHANGES EFFECTIVE FEBRUARY 1 2023

Rule	Current Wording	Proposed Wording	Change from Current	Premium impact on existing policies												
	<p>Rating</p> <p>Private Passenger Vehicles: Premium: \$50 per annum. Peril: Collision & Comprehensive only Limit: \$40,000 Deductible: \$500</p> <p>Restriction: Coverage offered only to risks carrying both Collision and Comprehensive on the vehicle described in the policy.</p> <p>Note: This is a flat fee per policy term and is not pro rated when the endorsement is added midterm to a policy or deleted midterm from a policy unless the vehicle is deleted or the policy cancelled.</p> <p>Other Vehicles: Not offered.</p>	<p>Rating</p> <p>Private Passenger Vehicles: Peril: Collision & Comprehensive only Deductible: \$500</p> <table><tr><th>Limit per occurrence</th><th>Premium Annual</th><th>Premium six month policy</th></tr><tr><td>\$40,000</td><td>\$50</td><td>\$26</td></tr><tr><td>\$50,000</td><td>\$65</td><td>34</td></tr><tr><td>\$75,000</td><td>\$75</td><td>39</td></tr></table> <p>Restriction: Coverage offered only to risks carrying both Collision and Comprehensive on the vehicle described in the policy.</p> <p>Note: This is a flat fee per policy term and is not pro rated when the endorsement is added midterm to a policy or deleted midterm from a policy unless the vehicle is deleted or the policy cancelled.</p> <p>Other Vehicles: Not offered.</p>	Limit per occurrence	Premium Annual	Premium six month policy	\$40,000	\$50	\$26	\$50,000	\$65	34	\$75,000	\$75	39		
Limit per occurrence	Premium Annual	Premium six month policy														
\$40,000	\$50	\$26														
\$50,000	\$65	34														
\$75,000	\$75	39														

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				
228: Outside Province Exposure	<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
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE OCTOBER 1, 2022

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><tr><th>Outside Alberta Exposure</th><th>Applicable Surcharge</th></tr><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></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><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>	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><tr><th>Outside Province Exposure</th><th>Applicable Surcharge</th></tr><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></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><tr><th>Outside Province Exposure</th><th>Applicable Surcharge</th></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>	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>
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%																																									
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%																																									

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><i>Example:</i></p> <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</td><td>\$1,000 X .25 = \$ 250</td></tr><tr><td>Currency differential</td><td>\$1,000 X 7.75 = 77.50 = \$78</td></tr><tr><td>Total Liability premium</td><td>= \$1,328</td></tr></table> <p>4. In addition to the Servicing Carrier’s fee for filing proof of insurance.</p> <p>5. Payable only when proof of insurance is required by U.S. authorities.</p> <p>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.</p> <p><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.</p>	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	<p><i>Example:</i></p> <table><tr><td>The Liability premium is:</td><td>\$1,000</td></tr><tr><td>The percentage of U.S. Exposure 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 0.25)</td><td>\$250</td></tr><tr><td>Currency Differential (\$1,000 x 0.0775)</td><td>\$78</td></tr><tr><td>Total Liability Premium</td><td>\$1,328</td></tr></table> <p>4. In addition to the Servicing Carrier’s fee for filing proof of insurance.</p> <p>5. Payable only when proof of insurance is required by U.S. authorities.</p> <p>6. The combined dollar value of the Currency Differential Surcharge and the Outside Province exposure surcharge is subject to a minimum of \$50 per policy term.</p> <p><i>For example:</i> Using the example above, the dollar value of the Outside Province 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.</p> <p>C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)</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>	The Liability premium is:	\$1,000	The percentage of U.S. Exposure is:	25%	The Currency Differential Surcharge is:	7.75%	Base Premium:	\$1,000	U.S. Exposure (\$1,000 x 0.25)	\$250	Currency Differential (\$1,000 x 0.0775)	\$78	Total Liability Premium	\$1,328	<p>Clarifies how Currency Differential Surcharge is to be calculated</p> <p>Introduces outside province exposure surcharge applicable to Interurban Vehicles</p>	<p>This will not impact premiums</p> <p>This will impact premiums on Interurban Vehicles</p>
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																															
The Liability premium is:	\$1,000																															
The percentage of U.S. Exposure is:	25%																															
The Currency Differential Surcharge is:	7.75%																															
Base Premium:	\$1,000																															
U.S. Exposure (\$1,000 x 0.25)	\$250																															
Currency Differential (\$1,000 x 0.0775)	\$78																															
Total Liability Premium	\$1,328																															

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><tr><th>Canadian Out of Province Exposure</th><th>Applicable Canadian Mileage Surcharge</th></tr><tr><td>5%</td><td>5%</td></tr><tr><td>10%</td><td>10%</td></tr></table>	Canadian Out of Province Exposure	Applicable Canadian Mileage Surcharge	5%	5%	10%	10%		
Canadian Out of Province Exposure	Applicable Canadian Mileage Surcharge									
5%	5%									
10%	10%									

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												
		25%	25%														
		50%	50%														
		<i>b) If Canadian Out of Province Exposure (Operating outside Western Provinces) is over 50%:</i>															
		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.															
		To determine the surcharge (or discount) amount, select the Region where the majority of the exposure is incurred from the table below.															
		<table><tr><th>Region</th><th>Applicable Surcharge/Discount</th></tr><tr><td>Eastern Canada</td><td>-15%</td></tr><tr><td colspan="2">'Eastern Canada' includes travel to Newfoundland & Labrador, New Brunswick, Nova Scotia, Prince Edward Island <u>and</u> Quebec</td></tr><tr><td>Ontario</td><td>260%</td></tr><tr><td>Territories</td><td>-30%</td></tr><tr><td colspan="2">'Territories' includes travel to the Northwest Territories, Nunavut and the Yukon Territories</td></tr></table>		Region	Applicable Surcharge/Discount	Eastern Canada	-15%	'Eastern Canada' includes travel to Newfoundland & Labrador, New Brunswick, Nova Scotia, Prince Edward Island <u>and</u> Quebec		Ontario	260%	Territories	-30%	'Territories' includes travel to the Northwest Territories, Nunavut and the Yukon Territories			
Region	Applicable Surcharge/Discount																
Eastern Canada	-15%																
'Eastern Canada' includes travel to Newfoundland & Labrador, New Brunswick, Nova Scotia, Prince Edward Island <u>and</u> Quebec																	
Ontario	260%																
Territories	-30%																
'Territories' includes travel to the Northwest Territories, Nunavut and the Yukon Territories																	
		Example: 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.															
		If the vehicle travels across multiple Regions, where no clear majority exists, select the Region that generates the highest surcharge.															
		Example: A vehicle registered in Alberta travels 30% in the Western Provinces, 30% in Ontario, 30% in Atlantic Canada, including Quebec and 10% into															

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>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><tr><th>U.S. Exposure</th><th>Applicable U.S. Surcharge</th></tr><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></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													
5%	5%													
10%	10%													
25%	25%													
50%	50%													

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.

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