



Manual of Rules and Rates ALBERTA

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

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

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

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

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

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

Rule	Current Wording		Current Wording Approved Wording		Change from Current	Premium impact on existing policies
Rule 226.C	Minor Convictions		Minor Convictions		FA aims to	This may
Accident and Conviction	2 3 4	5% 15% 25%	2 3 4	5% 15% 25%	harmonize with all other	impact premiums
Surcharges Table	Each additional	15%	Each additional	15%	jurisdictions	
	Serious Convictions 1 Each additional	100% 100%	Events in the preceding 48 months Serious Convictions 1 Each additional	Surcharge 100% 100%		
	Maximum surcharge for accidents and all convictions	200% for underage principal operator No maximum for any other operator	Maximum- surcharge for accidents and all convictions	200% -for underage -principal operator -No maximum for -any other -operator		
Rule 228: Outside Province	A. Outside Province Expo Interurban Vehicles) 	sure Surcharge (excluding	A. Outside Province Exposu Interurban Vehicles) 	re Surcharge (excluding	Currency differential surcharge will be	This may impact premium
Exposure	B. Currency Differential Surcharge (Excluding Interurban Vehicles)		B. Currency Differential Su Interurban Vehicles)	rcharge (Excluding	discontinued as FA is working	
	the Liability premium to pro	erential surcharge is added to	Whenever proof of insurance is currency differential surcharge premium to provide for the position the payment of a claim is	otential additional loss arising	towards modernizing and simplify its rating	
	date the premium is calculated for policy issuance. The Sei	to the nearest cent, as at the ated by the Servicing Carrier	The currency differential is the charged for the U.S. dollar, to date the premium is calculate policy issuance. The Servicing Canada closing rate from the	o the nearest cent, as at the ad by the Servicing Carrier for g Carrier shall use the Bank of		
	'	e is calculated by means of	The surcharge percentage following formula:	is calculated by means of the		
		ercentage of U.S. exposure	Gurrency differential x Perc For example:	centage of U.S. exposure		

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

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

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

Rule	Current W	ording		roved rding	Change from Current	Premium impact on existing policies
Rule 325: Outside	NOTE: Where vehicles are 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. NOTE: Where vehicles are ope Agents/Brokers must ask Insurance must be filed and, if		reds whether or not proof of	Currency differential surcharge	This may impact premium	
Alberta Exposure	Liability, DCPD and Accident For each percentage point of to Canadian jurisdiction or the U.S applicable premium.	tal mileage in another		otal mileage in another S., surcharge 1% of the so of total mileage in the U.S. or n, a 5% surcharge will apply to d DCPD. of total mileage in the U.S. or	will be discontinued as FA is working towards modernizing and simplify its rating	
	For example:		For example:			
	Outside Alberta Exposure	Applicable Surcharge	Outside Alberta Province Exposure	Applicable Surcharge		
	Up to 5% and proof of insurance required	5%	Up to 5% and proof of insurance required	5%		
	10%	10%	10%	10%		
	25%	25%	25%	25%		
	50%	50%	50%	50%		
	Optional Physical Damage For each percentage point of to Canadian jurisdiction or the U.S applicable premium. For example:	5., surcharge 0.5% of the	Optional Physical Damage For each percentage point of to applicable another Canadian justice of the application of the applicat	urisdiction or the U.S., able premium.		
	Outside Alberta Exposure	Applicable Surcharge	Outside Alberta Province Exposure	Applicable Surcharge		
	6%	3%	6%	3%		
	10%	5%	10%	5%		
	25%	12.5%	25%	12.5%		
	50%	25%	50%	25%		
	B. Currency Differential Sur	charge	B. Currency Differential Sur	rcharge		
	Whenever proof of insurance is authorities, a currency differen	required by U.S.	•	s required by U.S. authorities, a		

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

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

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

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

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

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

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

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

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. 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. If the vehicle is operated outside Alberta, Alberta rates and a surcharge apply. Refer to Rule 427. The surcharge does not apply to recreational vehicles used for personal use only and proof of insurance is not required. 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. 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. 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

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

Rule	Current	Wording			Approved Wording	Change from Current	Premium impact on existing policies
Rule 607:	will apply to the Basic Garage	e Premium for Liability,	If	this exposure is 5.0% or	less of the total mileage, the	FA aims to	This may
	DCPD, Accident Benefits, and	d END 81 premiums.			unless proof of insurance is	harmonize	impact
Territory and Outside Alberta Exposure	Basic Garage Premium - L Accident Benefits, END 81		ap Ac	pply to the Basic Garage cident Benefits, and END	·	and simplify the wordings across all jurisdictions	premium
	For each percentage point of Alberta, surcharge 1% of the			asic Garage Premium - enefits, DCPD,END 81	· Liability, and Accident		
			su If or ap	rcharge 1% of the applic this exposure is 5.0% or applicable Canadian juri aply to Liability, Accident	of total mileage outside Alberta, cable premium. less of total mileage in the U.S. sdiction, a 5% surcharge will Benefits, DCPD and END 81.		
	For example:				sdiction, surcharge 1% of the		
	Outside Alberta Exposure	Applicable Surcharge	ap	pplicable premium. or example:	oarearen, oarearen go 170 or are		
	Up to 5% and proof of insurance required	5%		Outside Alberta Province Exposure	Applicable Surcharge		
	10%	10%		Up to 5% and proof of insurance required	5%		
	25%	25%					
	50%	50%		10%	10%		
				25%	25%		
	Basic Garage Premium – C	Optional Physical		50%	50%		
	Damage				- Optional Physical Damage		
	For each percentage point of				of total mileage in the U.S or		
	Alberta, surcharge .5% of the	e applicable premium.			ction outside Alberta , surcharge		
	For example: Outside Alberta	Appliable Curebouse		0% of the applicable presert example:	mium.		
	Exposure	Applicable Surcharge		Outside Alberta	Applicable Surcharge		
	6%	3%		Province Exposure	Applicable Surcharge		
	10%	10%	\dashv	6%	3%		
	25%	12.5%		10%	10%		
	50%	25%		25%	12.5%		
	30 70	2570		50%	25%		
	At the Servicing Carrier's discinformation, log books and/o may be required to verify miljurisdictions.	r other pertenent records	int	the Servicing Carrier's d	liscretion, a copy of fuel tax /or other pertenent records may l and travelled jurisdictions.	be	

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

Rule	Current Wo		Wc	proved ording	Change from Current	Premium impact on existing policies
Rule 608: Proof of Insurance Where Notice of Cancellation or Deletion is Required	Currency differential \$1,000 X .07 Total Liability premium C. Renewal or Offer to Renew D. Policy Cancellation	\$1,328	Currency differential \$1,000 X Total Liability premium B. Renewal or Offer to Rer C. Policy Cancellation	\$1,328	Currency differential surcharge will be discontinued as FA is working towards modernizing and simplify its rating	This will impact premium
Rule 623.A Conviction Definitions and Surcharge Tables	A. Conviction Surcharge Table Events in the preceding 36 months Major Convictions 1 Each additional Minor Convictions 2 3 4	25% 25% 5% 15% 25%	A. Accident/Conviction Sur Maximum surcharge to be a Events in the preceding 36 months Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4	20% 30% 15% 25% 5% 15% 25%	To harmonize with all other jurisdictions.	This may impact premiums
	Events in the preceding 48 Serious Convictions 1 Each additional	15% Surcharge 100% 100%	Each additional Events in the preceding 48 Serious Convictions 1 Each additional	15% Surcharge 100% 100%		

Current Wording

Rule

Approved Wording

Change

from

Premium

impact

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

Rule	Current W	ording		roved rding	Change from Current	Premium impact on existing policies
Rule 726: Outside Alberta Exposure	The Insured must advise the Acof total mileage that the Insured owned vehicle outside Alberta a which the vehicle is and will be If this exposure is 5.0% or less surcharge shall be waived unle required by authorities. In this apply to Liability, Accident Bendul. S., Insureds must be asked winsurance must be filed and, if Liability, Accident Benefits, For each percentage point of to applicable Canadian jurisdiction of the applicable premium.	d will be using a non- and the jurisdiction(s) into driven. of the total mileage, the as proof of insurance is case a 5% surcharge will efits, and END 44. cles are operated in the whether or not proof of so, in what amount. END 44 that mileage in another	used for personal use (non but insurance is not required. The Insured must advise the A total mileage that the Insured vehicle will be used outside Alt including the U.S. and the juris vehicle is and will be driven. If this exposure is 5.0% or less surcharge shall be waived unle required by authorities. In this apply to Liability, Accident Ben Agents/Brokers must ask Insurance proof of insurance must be amount. Liability, Accident Benefits, For each percentage point of to applicable Canadian jurisdiction the applicable premium. If this exposure is 5.0% or less insurance in the insurance is 5.0% or less insurance insurance is 5.0% or less insurance insurance is 5.0% or less insuranc	gent/Broker the percentage of will be using a non-owned verta Province/Territory ediction(s) into which the so of the total mileage, the series as 5% surcharge will efits, and END 44. cles are operated in the U.S., reds must be asked whether or filed and, if so, in what END 44 ctal mileage in another or the U.S., surcharge 1% of so for total mileage in the U.S. or n, a 5% surcharge will apply to END 44. of total mileage in the U.S. or total mileage in the U.S. or END 44.	FA aims to harmonize and simplify the wordings across all jurisdictions	This may impact premium
	For example:		For example:	1		
	Outside Alberta Exposure	Applicable Surcharge	Outside Alberta Province Exposure	Applicable Surcharge		
	Up to 5% and proof of insurance required	5%	Up to 5%-and proof of insurance required	5%		
	10%	10%	10%	10%		
	25%	25%	25%	25%		
	50%	50%	50%	50%		

Rule	Curi	rent Wording		Approved Wording		Change from Current	Premium impact on existing policies
Rule 726:	Optional Physical Dam	nage	Optional Physical Dama			Currency	This may
Outside Alberta Exposure	For each percentage poil applicable Canadian juris .5% of the applicable pre	nt of total mileage in another sdiction or the U.S., surcharge emium.	For each percentage point another applicable Canadia surcharge .50% of the app			differential surcharge will be discontinued as FA is	impact premium
	For example:		For example:			working	
	Outside Alberta Exposure	Applicable Surcharge	Outside Alberta Province Exposure	Applicable Surcharge		towards modernizing	
	6%	3%	6%	3%		and simplify	
	10%	5%	10%	5%		its rating	
	25%	12.5%	25%	12.5%			
	50%	25%	50%	25%			
	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:		The currency differential is charged for the U.S. dollar the premium is calculated issuance. The Servicing Caclosing rate from the previous The surcharge percenta following formula: Currency differential x left.	s the rate of exchange being r, to the nearest cent, as at th by the Servicing Carrier for p arrier shall use the Bank of Ca	ne date olicy nada of the		
	For example: The rate of exchange for	the U.S. dollar is 1.3085 currency differential is 0.31. large is 25%.	Therefore the currency diff The U.S. exposure surchar	ferential is 0.31.			
	Currency differential s 7.75%	surcharge: 0.31 X 25% =	The Currency differential 1. Applied only to the Liab				
	The Currency different 1. Applied only to the Li	tial surcharge is iability premium, not DCPD	2. Not subject to a minim	um surcharge.			
	2. Not subject to a mini	mum surcharge.					

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

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

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





Manual of Rules and Rates ALBERTA

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

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

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

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

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

Approved Wording

Change from Premium

Current Wording

Rule

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

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

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

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