



Manual of Rules and Rates NEWFOUNDLAND & LABRADOR

Revised Rates for Private Passenger, Commercial, Interurban, Various Rule Changes, 2025 CLEAR & Commercial Rate Group Tables Effective October 1, 2025 (New Business and Renewals)

Effective October 1, 2025 Facility Association is implementing the following update for new business and renewals in Newfoundland & Labrador:

- Revised Private Passenger rates. Overall, there is a change of -8.4%. Rates may vary depending upon individual policy circumstances;
- Revised Commercial rates. Overall, there is a change of -5.0%. Rates may vary depending upon individual policy circumstances;
- Revised Interurban rates. Overall, there is a change of -4.4%. Rates may vary depending upon individual policy circumstances;
- Revised rate pages for Public Bus, Hotel & Country Club Bus, Private Bus, School Bus, Ambulance, Funeral, Historic Vehicles, Motor Homes, Trailers and Camper Units. There is no rate change associated with these classes of business.;
- The Garage Underwriting Supplement Form is no longer in the Garage Section of the manual. There's an updated version available in the **Forms** section of FA's website;
- 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;
- 2025 Private Passenger CLEAR Rate Group Tables having a range of 1-14 for Accident Benefits Rate Groups;
- 2025 Commercial Rate Group Tables (Tables I and II).

The Facility Association website <u>www.facilityassociation.com</u> has been updated with this information.

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PAS	SENGER SECTION			
Table of Contents	Rule 138: U.S. Exposure Surcharge A. U.S. Exposure Surcharge B. Currency Differential Surcharge	Rule 138: Outside Province Exposure A.U.S. Exposure Surcharge B. Currency Differential Surcharge	Name change update	This will not impact premiums
Rule 111: Rating Class	 Notes: Class 05 1. The vehicle is first rated as if there are no occasional drivers licensed less than 9 years in Canada or the U.S.; premium is then charged for such occasional drivers by adding the Liability, DCPD and Collision premium for Class 05. It is not permissible to issue a policy solely at Class 05 rates. 2. The Liability limit and Collision deductible for Classes 05 drivers must be identical to the limit and deductible provided for the vehicle 	 Notes: Class 05 1. The vehicle is first rated as if there are no occasional drivers licensed less than 9 years in Canada or the U.S.÷ Premium is then charged for such occasional drivers by adding the Liability, DCPD and Collision premium coverage for Class 05. It is not permissible to issue a policy solely at Class 05 rates. 2. The Liability limit and Collision deductible for Classes 05 drivers must be identical to the limit and deductible provided for the vehicle. 	FA manual update to align wordings across jurisdictions	This will not impact premium
Rule 113: Driving Record B. Driving Record Entitlement	 Notes: A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages. Tourist or Temporary Resident If the principal operator is a non-resident of Canada touring North America, the remarks section of the application must indicate: that the principal operator is a non-resident; that the principal operator is a non-resident; the country where the principal operator normally resides; the anticipated length and purpose of the visit If touring, the remarks section must indicate the anticipated itinerary – Refer to Rules 138 U.S. Exposure Surcharge and 144 Vehicles Used Outside Jurisdiction of Registration. 	 Notes: 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 the Liability, DCPD (<i>Not available in Northwest Territories, Nunavut and Yukon</i>) and Collision coverages. 11. Tourist or Temporary Resident A. If the principal operator is a non-resident of Canada touring North America, the remarks section of the application must indicate: that the principal operator is a non-resident; that the principal operator is a non-resident; the country where the principal operator normally resides; the anticipated length and purpose of the visit If touring, the remarks section must indicate the anticipated itinerary – Refer to Rules 138 L.S. Exposure Surcharge and 144 Vehicles Used Outside Jurisdiction of Registration. 	Upon a review of FA rule there needs to be an updated to align with current rate pages FA aims to remove names of rules for simplify the wordings across all jurisdictions	This will not impact premiums

Current W	/ording	Approve	d Wording	Change from Current	Premium impact on existing policies
is use outside Canada during a indicates the charges as "Nil" t premium charged for that mon annual premium. The surcharg applicable, except where the ve	month where the table here shall be an additional th equal to pro-rata of the e for U.S. exposure is ehicle is used for personal	use outside Canada during a m the charges as "Nil" there shal charged for that month equal premium. The surcharge for O including U.S. exposure is app	nonth where the table indicates Il be an additional premium to pro-rata of the annual utside of Province/Territory licable, except where the	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
				To harmonize with all other	This may impact premium
Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	jurisdictions,	
Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	0% 30% 10% 25% 25% 15% 15% 50% 100%	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	20% 30% 15% 25% 25% 5% 15% 25% 15% 100% 100%	In Nfld., some voluntary markets now charge 100% for a criminal code/serious conviction.	
	3. The tables below apply to Ca is use outside Canada during a indicates the charges as "Nil" t premium charged for that mon annual premium. The surcharg applicable, except where the vi- use only and proof of insurance C. Accident/Conviction Surce 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 Each additional Serious Convictions 1	36 monthsChargeable Accidents:2 3 30%Each additional10%Major Convictions125%Each additional25%Minor Convictions22315%425%Each additional15%Serious Convictions150%	3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as "NII" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. 3. The tables below apply to Canadia during a month where the table use outside Canada during a month where the table so utside Canada during a month equal premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. 3. The tables below apply to Canada during a month where the table use outside Canada during a month equal premium. The surcharge for OLS. exposure is approvehicle is used for personal use only and proof of insurance is not required. C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% C. Accident/Conviction Sur Maximum surcharge to be applied is 200% Events in the preceding 36 months Surcharge 33 (30%) Events in the preceding 36 months Chargeable Accidents: 2 2 3 30% 3 Each additional 10% Major Convictions 1 25% 1 Each additional 23 3 1 25% 3 2 5% 3 3 15% 3 <td>3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is a "Nil" there shall be an additional use only and proof of insurance is not required. 3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium tharged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% Events in the preceding 36 months Surcharge 30% Events in the preceding 30% Surcharge 30% Chargeable Accidents: 2 2% 2% 2% 2 0% 3 30% Each additional 15% 1 25% 2 2% 4 25% Minor Convictions 2 5% 3 15% 2 5% 3 15% 2 5% 3 15% 3 15% 2 5% 4 25% 4 25%</td> <td>3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as 'Nil' there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. 3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as 'Nil' there shall be an additional premium premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. Including U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. To harmonize C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% To harmonize Events in the preceding 36 months Surcharge 2 20% 3 30% 3 30% In Nfld., some voluntary 30% 5% In Nfld., some voluntary 30% 5% Each additional 10% Each additional 15% In Nfld., some voluntary 30% 6 A 25% 4 2 5% 2 5% 1 25% 100% 6 Convictions 25% 6 A 25% 4 2 5% 2 5% 6 1 00% 6 Convictions 25% 6 Convictions 25% 6 A 25% 5% A 25% 6 2 5% 6 Convictions 25% 6 Convictions 25% 6 Convictions 25% 6 <t< td=""></t<></td>	3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is a "Nil" there shall be an additional use only and proof of insurance is not required. 3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium tharged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% Events in the preceding 36 months Surcharge 30% Events in the preceding 30% Surcharge 30% Chargeable Accidents: 2 2% 2% 2% 2 0% 3 30% Each additional 15% 1 25% 2 2% 4 25% Minor Convictions 2 5% 3 15% 2 5% 3 15% 2 5% 3 15% 3 15% 2 5% 4 25% 4 25%	3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as 'Nil' there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. 3. The tables below apply to Canadian conditions. If there is use outside Canada during a month where the table indicates the charges as 'Nil' there shall be an additional premium premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. Including U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. To harmonize C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% C. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 200% To harmonize Events in the preceding 36 months Surcharge 2 20% 3 30% 3 30% In Nfld., some voluntary 30% 5% In Nfld., some voluntary 30% 5% Each additional 10% Each additional 15% In Nfld., some voluntary 30% 6 A 25% 4 2 5% 2 5% 1 25% 100% 6 Convictions 25% 6 A 25% 4 2 5% 2 5% 6 1 00% 6 Convictions 25% 6 Convictions 25% 6 A 25% 5% A 25% 6 2 5% 6 Convictions 25% 6 Convictions 25% 6 Convictions 25% 6 <t< td=""></t<>

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
U.S. Exposure Surcharge	 U.S. Exposure Surcharge A. U.S. Exposure Surcharge Any vehicle that is operated in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used in the U.S. If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. 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. 	Outside Province Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to the U.S. exposure a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used Outside Province/Territory including U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 144. 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 this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask insureds whether or not proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile, DCPD, Accident Benefits, Uninsured Automobile, DCPD, END 44 If this exposure is 5.0% or less or total mileage in the U.S. or applicable Canadian jurisdiction, a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile, DCPD and END 44 For each percentage point If this exposure of total mileage in the U.S. or o	Currency differential surcharge will be discontinued as FA is working towards modernizatio n and simplify its rating	This will impact premiums

Rule	Curre	nt Wording	Арр	roved Wording		Change from Current	Premium impact on existing policies
Rule 138:	For example:		For example:			Currency	This will
U.S. Exposure	U.S. Exposure	Applicable Surcharge	Outside Province Exposure	Applicable Surcharge		differential surcharge	impact premiums
Surcharge	5% or less and proof of insurance required	5%	Up to 5% or less and proof of insurance	5%		will be discontinued	promune
	10%	10%	required			as FA is	
	25%	25%	10%	10%		working	
	50%	50%	25%	25%		towards	
	5078	5078	50%	50%		modernizatio	
	Optional Physical Dama For each percentage point other applicable jurisdictio applicable premium.	of mileage in the U.S. or	other applicable Canadiar applicable premium.	age t of total mileage in the U.S. o n jurisdiction, surcharge .50%		simplify its rating	
	For example:		For example:				
	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge			
	6%	3%	Exposure				
	10%	5%	6%	3%			
	25%	12.5%	10%	5%			
	50%	25%	25%	12.5%			
			50%	25%			
	the Liability premium to pr	ce is required by U.S. erential surcharge is added to	currency differential surch	nce is required by U.S. autho harge is added to the Liability he potential additional loss ari			
	charged for the U.S. dollar date the premium is calcul policy issuance. The Service	the rate of exchange being to the nearest cent, as at the ated by the Servicing Carrier for cing Carrier shall use the Bank in the previous published day.	charged for the U.S. dolla the premium is calculated	is the rate of exchange being Ir, to the nearest cent, as at t I by the Servicing Carrier for arrier shall use the Bank of C vious published day.	policy	icy	
		ge is calculated by means of					
	the following formula:	- •	• •	age is calculated by means	of the		
			following formula:				
		J.S. exposure surcharge	2	U.S. exposure surcharge			
	For example:		For example:				
				the U.S. dollar is 1.3085 Cana	adian.		
			Therefore the currency di	tterential is 0.31.			4 of

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
U.S. Exposure Surcharge	 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 (Road/Passenger Hazard), not DCPD 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. <i>Example:</i> The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$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 is subject to a minimum of \$50 per policy term. <i>For example:</i> Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. 	 The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% - 7.75% fre Currency differential surcharge is Applied only to the Liability premium (Road/Passenger Hazard), not DCPD Not subject to a minimum surcharge Additional to but not compounded on the U.S. exposure surcharge. <i>Example:</i> The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 X 5.75 = 77.50 \$78 Total Liability premium \$1,328 In addition to the Servicing Carrier's fee for filing proof of insurance. Payable only when proof of insurance is required by U.S. authorities. The combined dollar value of the currency differential surcharge is subject to a minimum of \$50 per policy term. <i>For example:</i> Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the Currency differential surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the Currency differential surcharge is \$250 and the minimum required. 	Currency differential surcharge will be discontinued as FA is working towards modernizatio n and simplify its rating	This will impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 144: 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 it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. <i>For example:</i> The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 	 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. 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 it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. For example: The insured resides in Gander and the insured is attending university in Halifax. Rates for Halifax must be used. 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
	3. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. <i>For example</i> : The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply.	 3. 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 St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 		
	4. See Rule 138: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required.	 See Rule 138: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 		
	4. 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.	 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 used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 	 6. If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 7. If the vehicle is used within one region of Conorda as 		
	 If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle 	 7. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. 		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 144: Vehicles Used Outside Jurisdiction of Registration	is used in more than one region of Canada, it is to be rated as if used in the highest rated region. Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20	 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 138 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. Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
Rule 145: Purchasing Vehicles in Jurisdictions Where FA Does Not Operate	 Region 3 – West and North Rate as Alberta Territory 4 Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% U.S. Exposure Surcharge applies. 	 Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for Outside Province/Territory including U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 36. There is 0. 100% Outside Province /Territory Exposure Surcharge applies. 	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	A. Definition A fleet is a group of 10 or more self-propelled vehicles under common ownership or management and used for business, commercial, or public transportation. Vehicles on a long-term lease are considered the equivalent of	 A. Definition A fleet is: A group of 10 or more self-propelled vehicles; Under common ownership or management; Used for business (incl. Class 07 and vehicles used for dual purposes), commercial or public transportation; Includes vehicles on a long term lease; The Applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. A fleet is a group of 10 or more self-propelled vehicles under common ownership or management and used for business, commercial, or public transportation. Vehicles on a long term 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	•
	owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. <i>For example</i> : If the insured owned 10 vehicles and leased (on a long term basis) 1 vehicle that were insured for Liability for the	lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. <i>For example:</i> If the insured owned 10 vehicles and leased (on a long term		
	 past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability in that period, there would only be 108 months of Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet. 	basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability insurance and the policy would only be 108 months of Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet. Notes:		
		 The Applicant is required to provide proof of vehicle registration and ownership. 		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149:		 Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to 	FA aims to harmonize	This will not impact
Fleets		one lessee and meet the definition of a fleet.	the wordings across all	premiums
	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate.	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate.	sections and jurisdictions for the fleet rating of risk	
	The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial vehicles rated as private passenger (because of dual use), are included in the 120 month calculation. The months of Liability insurance on personal use recreational vehicles and private passenger vehicles solely used for pleasure (no driving to and from work for the applicant's business) is not included in the 120 month calculation. However, once it has been established that a risk is to be experience rated, private passenger vehicles other than those rated 07 shall be added (with any claims) on the policy and in the experience rating.	The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial vehicles rated as private passenger (because of dual use), are included in the 120 month calculation. The months of Liability insurance on personal use recreational vehicles and private passenger vehicles solely used for pleasure (no driving to and from work for the applicant's business) is not included in the 120 month calculation. However, once it has been established that a risk is to be experience rated, private passenger vehicles other than those rated 07 shall be added (with any claims) on the policy and in the experience rating.		
	Where a new fleet is being submitted to FA consisting of vehicles which are a sub-group of a voluntary market fleet and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. Where a vehicle(s) on an existing fleet is being newly insured through FA, the claim history shall follow the vehicle(s).	Where a new fleet is being submitted to FA consisting of vehicles which are a sub-group of a voluntary market fleet and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. Where a vehicle(s) on an existing fleet is being newly insured through FA, the claim history shall follow the vehicle(s).		
	Vehicles under 'common management' will be considered where the Named Insured has assumed full responsibility	Vehicles under 'common management' will be considered where the Named Insured has assumed full responsibility for		
	for the payment of insurance premiums and agreement is	the payment of insurance premiums and agreement is in		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	 in place between the Named Insured and Vehicle Owner, demonstrating the following: 1. The Named Insured is responsible for the assignment of driver schedules and routes, ensuring compliance with hours of work regulations and 2. The Named Insured maintains records of and deems acceptable all drivers who may operate a Vehicle and 3. Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and 4. Vehicles and all associated drivers adhere to the Named Insured, and 4. Vehicles and all associated drivers adhere to the Named Insured, and 5. Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 149. B. Fleet Rating Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. 	 place between the Named Insured and Vehicle Owner, demonstrating the following: 1. The Named Insured is responsible for the assignment of driver schedules and routes, ensuring compliance with hours of work regulations and 2. The Named Insured maintains records of and deems acceptable all drivers who may operate a Vehicle and 3. Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and 4. Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of conduct, training and service standards, and 5. Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 149. B. Fleet Rating Fleets are subject to experience rating as of the common the of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	 Experience rating includes the following: 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. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. 	 Experience rating includes the following: 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 Insured 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. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. If a risk insured through FA meets the definition of a fleet, any vehicles added to the policy will be experience rated. The policy including any subsequent renewals will remain experience rated until the risk no longer meets the definition of fleet. Where a new fleet is being submitted to FA and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added vehicles are 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	vehicles are subject to experience rating as outlined in Rule 333:B. Fleet Rating. Midterm Rating Midterm rating is not permissible for changes that occur (i.e. revision of claim reserves) during the policy term	 subject to experience rating as outlined in Rule 333:B. Fleet Rating. Midterm Rating Midterm rating is not permissible for changes that occur (i.e. revision of claim reserves) during the policy term merely 	FA aims to harmonize the wordings across all sections and jurisdictions	This will not impact premiums
	If it is discovered during a policy term that a risk is a fleet it shall be experience rated at the time of next renewal. If more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the	If it is discovered during a policy term that a risk is a fleet it shall be experience rated at the time of next renewal. If more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the earliest expiring	for the fleet rating of risk	
	earliest expiring policy, based on the information for all vehicles. The remaining vehicles shall be added to the fleet at the expiry date of their policies.If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to	policy, based on the information for all vehicles. The remaining vehicles shall be added to the fleet at the expiry date of their policies. If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to		
	experience rating and shall be insured to the common expiry date. Optional Physical Damage Coverage Vehicles may not be covered for Comprehensive/Specified Perils only.	experience rating and shall be insured to the common expiry date. Optional Physical Damage Coverage Vehicles may not be covered for Comprehensive/Specified Perils only.		
	The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage.	The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage.		
	Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending order.	Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending order.		
	C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed.	C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed.		
	<i>For example</i> : The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1,	<i>For example</i> : The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1998 and		12 of

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	1998 and May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered.	May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	 D. New Applications Forms required for Fleet Submissions Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement This form provides additional information about the risk. e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. The application is subject to the Facility Association fleet 	 D. New Applications Forms required for Fleet Submissions Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk. e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. 		
	rating formula and the resulting premium may be	rating formula and the resulting premium may be		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	 substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 138: U.S. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 137 Proof of Insurance. Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation where indicated. 4. Agent/Broker responsibilities: Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays. Premiums are to be calculated at Driving Record 0 and must include the U.S. Exposure Surcharge if applicable. If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist in determining rate groups which are not published. Collect from the applicant the premium quoted at Driving Record 0 or arrange a premium finance contract. The Agent/Broker is responsible for the pro rata earned premium based on the correct premium calculation at Driving Record 0 in the event of non-payment by the insured. 	 substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 138: U.S. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 137 Proof of Insurance. Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation where indicated. Agent/Broker responsibilities: Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays. Premiums are to be calculated at Driving Record 0 and must include the Outside Province/Territory Exposure surcharge if applicable. If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The Servicing Carrier will also assist in determining rate groups which are not published. Collect from the Applicant the premium quoted at Driving Record 0 in the event of non-payment by the Insured. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	 Issue temporary (30 day) liability cards for each self-propelled vehicle listed on the Fleet Schedule as of the date coverage was bound. It is not permissible to use a "blanket" wording of any kind. A premium must be quoted and the risk bound before the fleet is submitted. 5. Servicing Carrier responsibilities: The Servicing Carrier shall not provide quotations or accept fleet submissions which have not been bound. Upon receipt of the properly completed documents the Servicing Carrier shall verify the information and loss history of the risk with the previous carrier as required and ensure prompt issuance of the policy documents. 6. If the revised premium is not acceptable: 	 Issue temporary (30 day) liability cards for each self-propelled vehicle listed on the Fleet Schedule as of the date coverage was bound. It is not permissible to use a "blanket" wording of any kind. A premium must be quoted and the risk bound before the fleet is submitted. 5. Servicing Carrier responsibilities: The Servicing Carrier shall not provide quotations or accept fleet submissions which have not been bound. Upon receipt of the properly completed documents the Servicing Carrier shall verify the information and loss history of the risk with the previous carrier as required and ensure prompt issuance of the policy documents. 6. If the revised premium is not acceptable to the Applicant, the coverages shall be cancelled without charge if the policy is cancelled by the Applicant no later than the 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	policies This will not impact premiums
	<i>For example:</i> The Agent/Broker bound coverage as of June 1 and quoted the Applicant a premium of \$10,000 at Driving Record 0. On June 20, the Agent/Broker receives the fleet policy from the Servicing Carrier. The fleet has been promulgated at a premium of \$12,000. The Agent/Broker advises the Insured of the premium increase and the Insured advises he/she wants to cancel the policy. On July 15, the Agent/Broker advises the Insurer to cancel the policy for non-payment. Because the request for cancellation was received within 30 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.	intended effective date (the date coverage was bound). After the effective date, where the Agent/Broker reports non- payment of the additional premium within 30 days of receiving notice of the additional premium, the earned premium for cancellation shall be calculated pro rata on the quoted premium calculated at Driving Record 0. Otherwise the earned premium shall be calculated pro rata on the promulgated fleet rating. <i>For example:</i> The Agent/Broker bound coverage as of June 1 and quoted the Applicant a premium of \$10,000 at Driving Record 0. On June 20, the Agent/Broker receives the fleet policy from the Servicing Carrier. The fleet has been promulgated at a premium of \$12,000. The Agent/Broker advises the Insured of the premium increase and the Insured advises he/she wants to cancel the policy. On July 15, the Agent/Broker advises the Insurer to cancel the policy for non- payment. Because the request for cancellation was received within 30 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	If a fleet rating has been established for a risk and the Applicant has rejected the premium, a new application covering any vehicle in the Applicant's name previously on the fleet, must be quoted to the Applicant at the fleet rate not driving record 0. In the event that a policy issued from that new application must be cancelled because the Applicant rejects the premium, the earned premium shall be calculated pro rata of the fleet rate not driving record 0.	If a fleet rating has been established for a risk and the Applicant has rejected the premium, a new application covering any vehicle in the Applicant's name previously on the fleet, must be quoted to the Applicant at the fleet rate not driving record 0. In the event that a policy issued from that new application must be cancelled because the Applicant rejects the premium, the earned premium shall be calculated pro rata of the fleet rate not driving record 0. If a fleet rate has been established and the policy is cancelled because the Applicant rejects the premium, a new application is submitted within 30 days will remain fleet rated. Individually rating the vehicle will not be permitted unless the risk no longer meets the definition of a fleet.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	<i>For example:</i> Using the above example, on September 1, the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 at Driving Record 0. The policy is issued at a premium of \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker requests cancellation for non-payment on October 10. The earned premium will be calculated pro rata on a premium of \$12,000.	<i>For example:</i> Using the above example, on September 1, the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 at Driving Record 0. The policy is issued at a premium of \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker requests cancellation for non-payment on October 10. The earned premium will be calculated pro rata on a premium of \$12,000.		
	 7. Premium Calculation Note: Refer to Rule 124 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual. E. Renewals Prior to the expiry of experience rated insurance, the Servicing Carrier may ask the Agent/Broker to have certain forms completed to update the information on record.	 7. Premium Calculation Note: Refer to Rule 124 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual. E. Renewals Prior to the expiry of experience rated insurance, the Servicing Carrier may ask the Agent/Broker to have certain forms completed to update the information on record.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	Such a request will usually be made well in advance of the expiry date because of the need to issue the renewal policy/certificate/offer-to-renew before the insurance expires. The appropriate renewal documents shall not be issued	Such a request will usually be made well in advance of the expiry date because of the need to issue the renewal policy/certificate/offer to renew before the insurance expires. The appropriate renewal documents shall not be issued unless	FA aims to harmonize the wordings across all sections and jurisdictions	This will not impact premiums
	unless and until the required forms, properly completed, have been returned.	and until the required forms, properly completed, have been returned.	for the fleet rating of risk	
	Fleet renewals cannot be issued with 6 month terms. Annual renewals only will be issued. Policies currently having 6 month terms will be renewed as annual policies on their next renewal.	Fleet renewals cannot be issued with 6 month terms. Annual renewals only will be issued. Policies currently having 6 month terms will be renewed as annual policies on their next renewal.		
COMMERCI	AL SECTION			
Table of Contents	Rule 228: Outside Province ExposureA. U.S. Exposure Surcharge (excluding Interurban Vehicles)B. Currency Differential Surcharge (Excluding Interurban Vehicles)C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	Rule 228: Outside Province ExposureA. Outside Province Exposure Surcharge (excluding Interurban Vehicles)B. Currency Differential Surcharge (Excluding Interurban Vehicles)B. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	Name change update	This will not impact premiums
Rule 200: Filed Underwriting Rules	D. Supplementary Underwriting Documents *For New Business Risks with 'No Prior Insurance', traveling out-of-province, including into the U.S., refer to Rule 204.G New Policies: No Prior Insurance, for special rating instructions.	D. Supplementary Underwriting Documents *For New Business Risks with 'No Prior Insurance', traveling out-of-province, including into the U.S., refer to Rule 204.F New Policies: No Prior Insurance, for special rating instructions.	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
Rule 206: Rating Territory	 For vehicles used in other jurisdictions, refer to Rule 228: Outside Province Exposure and Rule 234: Vehicles Used Outside Jurisdiction of Registration. Surcharge and U.S. currency differential surcharge are to be applied where required.	 For vehicles used in other jurisdictions, refer to Rule 228: Outside Province Exposure and Rule 234: Vehicles Used Outside Jurisdiction of Registration. Outside Province /Territory including U.S. exposure surcharge and U.S. currency differential surcharge are to be applied where required.	Currency differential surcharge will be discontinued	This will impact premiums

umber that could b ny vehicles insured remium under Liab y 50%. If all trailer ne trailer(s) that we remium shall be co or example: There f the trailers produce nat produce premiu xcess and the Liab nose trailers will be	are two tractors and four trailers. Two ce premiums of \$500 each. The other premiums of \$700 each. The trailers ms of \$500 each will be considered lity and DCPD premiums for each of	number that could any vehicles insure under Liability for f all trailers do not p that would otherwi considered excess. For example: There the trailers produce pre- produce premiums and the Liability ar will be reduced by	railers insured by a policy exceeds the be used at any one time (including with ed by other policies/Insurers), the premium the 'excess' trailers is reduced by 50%. If produce the same premium, the trailer(s) ise produce the lowest premium shall be e are two tractors and four trailers. Two of e premiums of \$500 each. The other two emiums of \$700 each. The trailers that of \$500 each will be considered excess and DCPD premium for each of those trailers	FA aims to harmonize the wordings across all jurisdictions	This may impact premium if the example is being used for rating
umber that could b ny vehicles insured remium under Liab y 50%. If all trailer ne trailer(s) that we remium shall be co or example: There f the trailers produce nat produce premiu xcess and the Liab nose trailers will be	e used at any one time (including with by other policies/insurers), the ility for the 'excess' trailers is reduced s do not produce the same premium, build otherwise produce the lowest nsidered excess. are two tractors and four trailers. Two ce premiums of \$500 each. The other premiums of \$700 each. The trailers ms of \$500 each will be considered lity and DCPD premiums for each of reduced by 50%.	number that could any vehicles insure under Liability for f all trailers do not p that would otherwi considered excess. For example: There the trailers produce pre- produce premiums and the Liability ar will be reduced by	be used at any one time (including with ed by other policies/Insurers), the premium the 'excess' trailers is reduced by 50%. If produce the same premium, the trailer(s) ise produce the lowest premium shall be e are two tractors and four trailers. Two of e premiums of \$500 each. The other two emiums of \$700 each. The trailers that of \$500 each will be considered excess and DCPD premium for each of those trailers	the wordings across all	premium if the example is being used for
f the trailers produ wo trailers produce nat produce premiu xcess and the Liabi nose trailers will be c. Calculating Pres	ce premiums of \$500 each. The other premiums of \$700 each. The trailers ms of \$500 each will be considered lity and DCPD premiums for each of reduced by 50%.	the trailers produce trailers produce pro produce premiums and the Liability ar will be reduced by	e premiums of \$500 each. The other two emiums of \$700 each. The trailers that of \$500 each will be considered excess and DCPD premium for each of those trailers		
	mium with Outside Province /			1	
erritory Exposure		2. Calculating Pro	Currency differential	This will	
Towing Vehicles Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1.				surcharge will be discontinued as FA is working	impact premiums
	Towing Vehicles		Towing Vehicles	towards	
<u>Coverage</u> Liability	Description 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.	Coverage Liability	DescriptionCalculate the OutsideProvince/Territory exposuresurcharge for Liability and add tothat the currency differentialsurcharge.Apply to the premium.Then apply anyaccident/conviction surcharge tothe resulting premium.	modernizing and simply its rating	
laxiumum surcharg	e to be applied for accidents, serious, nvictions is 200%	C. Accident/Conviction Surcharge Table Maximum surcharge to be applied for accidents, serious, major and minor convictions is 250%		To harmonize with all other jurisdictions,	This may impact premiums
laxiu	and minor cor ts in the prec	Then apply any accident/conviction surcharge to	Then apply any accident/conviction surcharge to the resulting premium. cident/Conviction Surcharge Table imum surcharge to be applied for accidents, serious, and minor convictions is 200% ts in the preceding Surcharge	Then apply any accident/conviction surcharge to the resulting premium. Then apply any accident/conviction surcharge to the resulting premium. cident/Conviction Surcharge Table C. Accident/Conviction Surcharge Table mum surcharge to be applied for accidents, serious, and minor convictions is 200% C. Accident/Conviction Surcharge Table ts in the preceding Surcharge Events in the preceding Surcharge	Then apply any accident/conviction surcharge to the resulting premium.Then apply any accident/conviction surcharge to the resulting premium.cident/Conviction Surcharge Table imum surcharge to be applied for accidents, serious, and minor convictions is 200%C. Accident/Conviction Surcharge Table Maximum surcharge to be applied for accidents, serious, major and minor convictions is 250%To harmonize with all other jurisdictions,ts in the precedingSurchargeEvents in the precedingSurcharge

Rule	Currer	nt Wording	Appro	oved Wording	Change from Current	Premium impact on existing policies
Rule 226.C	Chargeable Accidents:		Chargeable Accidents:		In Nfld.,	This may
	2	0%	2	20%	some	impact
Accident /	3	30%	3	30%	voluntary	premiums
Conviction Surcharge	Each additional	10%	Each additional	15%	markets now charge	
Table	Major Convictions		Major Convictions		100% for a	
	1	25%	1	25%	criminal	
	Each additional	25%	Each additional	25%	code/serious conviction.	
	Minor Convictions		Minor Convictions			
	2	5%	2	5%		
	3	15%	3	15%		
	4	25%	4	25%		
	Each additional	15%	Each additional	15%		
	Serious Convictions		Serious Convictions			
	1	50%	1	100%		
	Each additional	100%	Each additional	100%		
Rule 228: Outside Province	Any commercial vehicle tha subject to the U.S. exposur Newfoundland & Labrador a	e surcharge. (Applicable to	5	at is operated in the U.S. is subject harge. (<i>Applicable to Newfoundland</i> hy).	Currency differential surcharge will be	This will impact premiums
Exposure	Any interurban vehicle that another Canadian jurisdiction (or discount).	is operated in the U.S., or on, is subject to a surcharge		ban vehicle that is operated in the jurisdiction, is subject to a	discontinued as FA is working towards	
	The surcharge does not app for personal use only and p required.	bly where the vehicle is used roof of insurance is not		oply where the vehicle is used for of insurance is not required.	modernizing	
	Refer to Rule 200.D for a lis Underwriting documents th traveling outside of the juri including into the U.S.	at may be required on vehicles	documents that may be re	list of Supplementary Underwriting equired on vehicles traveling outside tration, including into the U.S.		
	If the Named Insured(s) ha Rule 204.G: No Prior Insur including U.S. Exposure	as no prior insurance, refer to ance with Out-of-Province		as no prior insurance, refer to Rule with Out-of-Province including		
	NOTE: If the Named Insure outside of the Province/Terr vehicle(s) shall be underwr		outside of the Province/Te	red has not previously traveled rritory or into the U.S., the ritten with a 75% Out of		

Rule	Cu	urrent Wording	Ар	proved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside		or U.S. Exposure surcharge. This ercial and Interurban Vehicles.	-	U.S. Exposure surcharge. This cial and Interurban Vehicles.	Currency differential surcharge	This will impact premiums
Province Exposure	 A. U.S. Exposure Surcharge (excluding Interurban Vehicles) For Interurban vehicles (Class 61, 62, 63, 64, 99), refer to Rule 228.C to determine the applicable surcharges. The percentage of U.S. Exposure 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 	Interurban Vehicles) For Interurban vehicle to Rule 228.C to deter The percentage of U.S. H including the U.S. will be International Fuel Tax A from the last four (4) qu	will be discontinued as FA is working towards modernizing and simply its rating will be discontinued as FA is working towards modernizing and simply its rating			
		does not participate in IFTA, please Carrier for the documents required age of U.S. exposure.	contact your Servicing C	bes not participate in IFTA, please arrier for the documents required to of U.S. exposure outside the Province,		
	must be asked whethe filed and, if so, in what will be completed using	are operated in the U.S., Insureds or or not proof of insurance must be t amount. If eligible, U.S. Filings g the <u>minimum</u> FMCSA required e of carriage, commodity required.	must be asked whether filed and, if so, in what a be completed using the	re operated in the U.S., Insureds or not proof of insurance must be amount. If eligible, U.S. Filings will minimum FMCSA required limit riage, commodity transported and		
	DCPD and END 44 If this exposure is 5.09 U.S., a 5% surcharge	enefits, Uninsured Automobile, % or less of total mileage in the will apply to Liability, Accident utomobile, DCPD and END 44.	DCPD and END 44 If this exposure is 5.0% applicable Canadian juris	nefits, Uninsured Automobile, or less of total mileage in the U.S. or sdiction, a 5% surcharge will apply to its, Uninsured Automobile, DCPD and		
	If this exposure is over 5.0% of total mileage in the U.S., surcharge 1.5% of the applicable premium.			5.0% of total mileage in the U.S. or sdiction, surcharge 1.0% of the		
	For oxample:		For oxample:			
	For example: U.S. Exposure	Applicable Surcharge	For example: Outside Province Exposure	Applicable Surcharge		
	Up to 5%	5%	Up to 5%	5%		
	10%	15%	10%	10%		

Rule	C	urrent Wording		Ар	proved Wording		Change from Current	Premium impact on existing policies
Rule 228:	25%	37.5%		25%	25%		Currency	This will
	50%	75%		50%	50%		differential	impact
Outside Province Exposure	Optional Physical Damage For each percentage point of total mileage in the U.S., surcharge .50% of the applicable premium. <i>For example</i> :		Optional Physical Damage For each percentage point of total mileage in the U.S. or applicable Canadian jurisdiction, surcharge .50% of the applicable premium. For example:			surcharge will be discontinued as FA is working towards	premiums	
	U.S. Exposure	Applicable		Outside Province	Applicable		modernizing	
		Surcharge		Exposure	Surcharge		and simply	
	5%	2.5%		5%	2.5%		its rating	
	10%	5%		10%	5%			
	25%	12.5%		25%	12.5%			
	50%	25%		50%	25%			
	additional loss arising dollars. The currency different charged for the U.S. d the date the premium Carrier for policy issua use the Bank of Canac published day.	to provide for the potential from the payment of a claim ial is the rate of exchange be ollar, to the nearest cent, as is calculated by the Servicing ince. The Servicing Carrier sh a closing rate from the previ	eing at g nall ous	premium to provide for from the payment of a c The currency differentia charged for the U.S. do the date the premium is Carrier for policy issuan use the Bank of Canada published day. The surcharge percer following formula:	claim in U.S. dollars. It is the rate of exchang Ilar, to the nearest cent s calculated by the Service. The Servicing Carric I closing rate from the p	e being , as at i cing i r shall revious		
		I x Percentage of U.S. Exp	osure	Currency differential	x Percentage of U.S.	E xposure		
	5	for the U.S. dollar is 1.3085 he currency differential is 0.3 5. exposure is 25%.	1.	For example: The rate of exchange fo Therefore the currency The percentage of U.S.	differential is 0.31.	85 Canadian.		
	Currency differentia 0.31 X 25% = 7.	5		Currency differential 0.31 X 25% = 7.7	3			
	The currency differe	ential surcharge is		The currency differen	tial surcharge is			

Rule 228: 1. Applied only to the Liability premium, not DCPD. 1. Not subject to a minimum surcharge FA alms to move the U.S. exposure surcharge is additional to but not compounded on the U.S. exposure surcharge is 31,000 1. This surcharge is additional to but not compounded on the U.S. exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2005 x 25% 1. Applied only to the Liability premium is the percentage of U.S. Exposure (st. 2006 x 0.00775) 2. The Liability permium is the percentage of the U.S. Exposure (st. 2006 x 0.00775) 1. Applied only when proof of insurance is required by U.S. Exposure (st. 2006 x 0.00775) 1. The addition to the Servicing Carrier's fee for filing proof of Insurance. 1. Applied only when proof of insurance is required by U.S. exposure surcharge is subject to a minimum of \$50 per policy term. 1. Applied only when proof of Insurance is required by U.S. Exposure surcharge is subject to a minimum of \$50 per policy term. 1. Applied only when proof of Insurance is required by U.S. Exposure surcharge is \$220 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. expos	Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	Outside Province	 Not subject to a minimum surcharge This surcharge is additional to but not compounded on the U.S. exposure surcharge. <i>Example:</i> 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 0.00775) <u>\$78</u> Total Liability premium \$1,328 In addition to the Servicing Carrier's fee for filing proof of insurance. Payable only when proof of insurance is required by U.S. authorities. The combined dollar value of the Currency Differential Surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. <i>For example:</i> Using the example above, the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential 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. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles) 	 Not subject to a minimum surcharge This surcharge is additional to but not compounded on the U.S. exposure surcharge. Example: 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 0.00775) \$78 Total Liability premium \$1,320 In addition to the Servicing Carrier's fee for filing proof of insurance. Payable only when proof of insurance is required by U.S. authorities. 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 Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$28, well exceeding the minimum required. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles) The Canadian Out of Province exposure is determined by how often the vehicle travels outside the jurisdiction of 	harmonize and simplify the wording across all	This will impact

Rule	Current Wording	Ар	proved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	 a) If Canadian Out of Province Exposure (Operating outside Atlantic Provinces and Ouebec) is <u>50% or</u> <u>less:</u> Where an Interurban vehicle is registered in Newfoundland & Labrador and reports 50% or less of its total <u>Canadian</u> mileage traveling outside the Atlantic Provinces (New Brunswick, Newfoundland & Labrador, Nova Scotia, Prince Edward Island) and Ouebec, <u>no</u> additional surcharge is applicable. 	outside Atlantic Provi Where an Interurban ve Labrador and reports 50 mileage traveling outsid Brunswick, Newfoundlar Edward Island) and Que	Province Exposure (Operating inces and Quebec) is 50% or less: whicle is registered in Newfoundland & 0% or less of its total Canadian de the Atlantic Provinces (New nd & Labrador, Nova Scotia, Prince ebec, surcharge 1% per percentage is to the total Canadian mileage. applicable. Applicable Canadian Mileage Surcharge 5% 10% 25% 50%	FA aims to harmonize and simplify the wording across all jurisdictions	This will impact premiums
Rule 239: Fleets	 D. New Applications Forms required for Fleet Submissions Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk. d) Any additional supplements such as drivers list, taxi questionnaire. 	 a) Facility Associa The application Under vehicle i b) Automobile Flee All vehicles incl insurance is rea c) Fleet Vehicle Co Must be comp vehicles insure d) Fleet Rating In Vehicle Supple This form pro the risk. e) Any additional 	 D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk. 		
	 3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. The application is subject to the Facility Association fleet rating formula and the resulting premium may be 	earned premium shall be The application is subject	he effective date shown and an		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 239: Fleets	substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium. See Rule 228: Outside Province/Territory. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 227.	substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium. See Rule 228: Outside Province/Territory. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 227.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
PUBLIC SECT	ION		1	
Table of Contents	Rule 325: U.S Exposure A. U.S. Exposure Surcharge	Rule 325: Outside Province Exposure A. U.S.Exposure Surcharge	Name change update	This will not impact premiums
Rule 306: Rating Territory	For vehicles used in jurisdictions other than Newfoundland, refer to Rule 330 Vehicles Used Outside Jurisdiction of Registration and Rule 325 U.S Exposure surcharge. U.S exposure surcharge and currency differential surcharge are to be applied where required.	For vehicles used in jurisdictions other than Newfoundland, refer to Rule 330 Vehicles Used Outside Jurisdiction of Registration and Rule 325 Outside U.S. Exposure surcharge . Outside Province/Territory including U.S. exposure surcharge and currency differential surcharge are to be applied where required.	Currency differential surcharge will be discontinued	This will impact premiums
Rule 308: Rating	 D. Premium Determination Ensure that the vehicle is a Public Vehicle. Establish the rating territory Establish the rating class, including any special factors. Establish the driving record Establish the rate group and minimum deductible. Refer to the rate page and the rate per vehicle, per seat or percentage of underlying class. Develop the total premium for each coverage Apply any required U.S. exposure and currency differential surcharge. 	 D. Premium Determination Ensure that the vehicle is a Public Vehicle. Establish the rating territory Establish the rating class, including any special factors. Establish the driving record Establish the rate group and minimum deductible. Refer to the rate page and the rate per vehicle, per seat or percentage of underlying class. Develop the total premium for each coverage Apply any required Outside Province/Territory including U.S. exposure and currency differential surcharge. Apply fleet rating or any accident/conviction surcharge. 	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This will not impact premiums
Rule 309: Driving Record	Notes: 1. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages.	 Notes: 1. The driving record established applies to all coverages for which a driving record is a factor. There is no split rating. 	Upon a review of FA rule there	This will not impact premiums

Rule	Current V	Vording	Approved	d Wording	Change from Current	Premium impact on existing policies
B. Driving Record Entitlement			DCPD (<i>Not available in Nor Yukon</i>) and Collision covera	Ū	needs to be an updated to align with current rate pages	
Rule 318: Time on Risk D. Short Term Tables	3. The tables below apply to C is use outside Canada during a indicates the charges as "Nil" t premium charged for that mor annual premium. The surcharg applicable, except where the v use only and proof of insuranc	month where the table here shall be an additional th equal to pro-rata of the e for U.S. exposure is ehicle is used for personal	the charges as "Nil" there shal charged for that month equal to premium. The surcharge for O	nonth where the table indicates I be an additional premium to pro-rata of the annual utside of Province/Territory icable, except where the vehicle	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 323.C Accident / Conviction Surcharge	C. Accident/Conviction Sure Maxiumum surcharge to be ap major and minor convictions is	plied for accidents, serious,	C. Accident/Conviction Surd Maximum surcharge to be a major and minor convictions is	applied for accidents, serious,	To harmonize with all other jurisdictions,	This may impact premiums
Table	Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	In Nfld., some	
	Chargeable Accidents:		Chargeable Accidents:		voluntary	
	2	0%	2	20%	markets now	
	3	30%	3	30%	charge	
	Each additional	10%	Each additional	15%	100% for a criminal	
	Major Convictions		Major Convictions		code/serious	
	1	25%	1	25%	conviction.	
	Each additional	25%	Each additional	25%		
	Minor Convictions		Minor Convictions			
	2	5%	2	5%		
	3	15%	3	15%		
		25%	4	25%		
	Each additional	15%	Each additional	15%		
	Serious Convictions		Serious Convictions			
	1	50%	1	100%		
				100%		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325:	U.S. Exposure	Outside Province Exposure	FA aims to	This will
U.S. Exposure	A. U.S. Exposure Surcharge Any vehicle that is operated in the U.S. is subject to the U.S. exposure 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 Province Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to the U.S. exposure a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for	harmonize the wordings across all sections and jurisdictions	impact premiums
	for personal use only and proof of insurance is not required. The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used in the U.S.	personal use only and proof of insurance is not required. The Insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used outside Province/Territory including in the U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 330.		
		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 this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile.	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile.		
	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 operated in the U.S., Agents/Brokers must ask insureds whether or not proof of insurance must be filed and, if so, in what amount.		
	Liability, DCPD Accident Benefits, Uninsured Automobile	Liability, Accident Benefits, Uninsured Automobile, DCPD If this exposure is 5.0% or less of total mileage in the U.S. or applicable Canadian jurisdiction, a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile and DCPD.		
	For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.	For each percentage point of If this exposure is over 5.0% of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.		
	For example:	For example:		

Rule	Currei	nt Wording	Аррі	roved Wording		Change from Current	Premium impact on existing policies
Rule 325:	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge		Currency	This will
	5% or less and proof of	5%	Exposure			differential	impact
U.S. Exposure	insurance required		Up to 5% or less and	5%		surcharge	premiums
	10%	10%	proof of insurance			will be	
			required			discontinued	
	25%	25%	10%	10%		as FA is	
	50%	50%	25%	25%		working	
			50%	50%		towards modernizing	
	applicable jurisdiction, surd premium. <i>For example</i> :	of mileage in the U.S. or other charge .50% of the applicable		age t of total mileage in the U.S. a jurisdiction, surcharge .50%		and simply its rating	
1	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge			
	6% 10%	3% 5%	Exposure				
	25%		6%	3%			
	25% 50%	12.5% 25%	10%	5%			
1			25%	12.5%			
	B. Currency Differential Whenever proof of insuran		50%	25%			
	the Liability premium to pr additional loss arising from dollars. The currency differential is	erential surcharge is added to ovide for the potential in the payment of a claim in U.S. the rate of exchange being , to the nearest cent, as at the	currency differential surch	nce is required by U.S. author harge is added to the Liability he potential additional loss ar	+		
	date the premium is calcul policy issuance. The Servic of Canada closing rate from	ated by the Servicing Carrier for sing Carrier shall use the Bank n the previous published day. ge is calculated by means of	charged for the U.S. dolla the premium is calculated issuance. The Servicing C closing rate from the prev	s the rate of exchange being r, to the nearest cent, as at- by the Servicing Carrier for arrier shall use the Bank of C vious published day. age is calculated by mean:	the date policy Canada		
	The rate of exchange for the Canadian. Therefore the currency diff The U.S. exposure surchar Currency differential sur 7.75%	ferential is 0.31 ge is 25% rcharge: 0.31 X 25% =	For example: The rate of exchange for Therefore the currency di The U.S. exposure surcha	rge is 25%			
	7.75% The Currency differentia	al surcharge is	Gurrency differential su	/reharge: 0.31 X 25% = 7	.75%		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325:	1. Applied only to the Liability premium Road/Passenger	The Currency differential surcharge is	Currency	This will
	Hazard), not DCPD.	1. Applied only to the Liability premium Road/Passenger	differential	impact
U.S. Exposure			surcharge	premiums
	2. Not subject to a minimum surcharge		will be	
		2. Not subject to a minimum surcharge	discontinued	
	3. Additional to but not compounded on the U.S.		as FA is	
	exposure surcharge.	 Additional to but not compounded on the U.S. 	working	
		exposure surcharge.	towards	
	Example:		modernizing	
	The Liability premium is \$1,000	Example:	and simply	
	U.S. Exposure Surcharge is 25%	The Liability premium is \$1,000	its rating	
	The Currency Differential Surcharge is 7.75%	U.S. Exposure Surcharge is 25%		
	Base Premium \$1,000	The Currency Differential Surcharge is 7.75%		
	U.S. Exposure \$1,000 X .25 \$250	Base Premium \$1,000 X 25 \$1,000		
	Currency Differential \$1,000 X 7.75 = 77.50 \$78	U.S. Exposure \$1,000 X .25 \$250		
	Total Liability premium \$1,328	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.	Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof		
	or 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		
	6. The combined dollar value of the currency differential	U.S. authorities.		
	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 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	For example: Using the example above, the dollar value of		
	of the currency differential surcharge is \$78. The total	the U.S. exposure surcharge is \$250 and the dollar value of		
	combined dollar value is \$328, well exceeding the	the currency differential surcharge is \$78. The total combined		
	minimum required.	dollar value is \$328, well exceeding the minimum required.		
Rule 330:			FA aims to	This will
	When a vehicle is registered in one jurisdiction but used in	When a vehicle is registered in one jurisdiction but garaged or	harmonize	not impact
Vehicles Used	another, the following is to be used as a guide for rating	chiefly used in another, the following is to be used as a guide	and simplify	premiums
Outside	purposes.	for rating purposes.	the wording	
Jurisdiction of	1 The contribute mount has incomed an equality (1 The contribution of the foregoing time is welling for all	across all	
Registration	1. The vehicle must be insured on a policy from the	1. The vehicle must be insured on a policy from the	jurisdictions	
	jurisdiction where it is legally registered, even if the	jurisdiction where it is legally registered, even if the		
	vehicle is chiefly used in another jurisdiction.	vehicle is chiefly used in another jurisdiction.		
	2. If it is known where the vehicle is being used and	2.—If it is known where the vehicle is being used and there		
	there are FA premiums for that territory, then the	are FA premiums for that territory, then the appropriate		
	appropriate FA premiums for that territory must be	FA premiums for that territory must be used.		
	used.	i A premiums for that terntory must be used.		
	used.	1	l	L

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 330: Vehicles Used Outside Jurisdiction of Registration	 For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 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 St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. See Rule 325: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges apolicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 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 used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in the highest rated region. 	 For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3. 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 St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 2. See Rule 325: U.S. Exposure Surcharge to determine surcharges do not apply to private passenger vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. 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 used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 6. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. 3. If the vehicle is operated outside the jurisdiction which it is, registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 325 to determine the surcharges applicable NOTE: At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled is used in the highest rated region. 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
	Rate as New Brunswick Territory 3	Rate as New Brunswick Territory 3		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 330: Vehicles Used Outside Jurisdiction of Registration	Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4	Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
Rule 331: Purchasing Vehicles in Jurisdictions Where FA Does Not Operate	 Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% U.S. Exposure Surcharge applies. 	 m. Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for Outside Province/Territory including U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% Outside Province /Territory Exposure Surcharge applies. 	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 335: Fleets	A. Definition	 A. Definition A fleet is: A group of 10 or more self-propelled vehicles; Under common ownership or management; Used for business (incl. Class 07 and vehicles used for dual purposes), commercial or public transportation; Includes vehicles on a long term lease; The Applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	A fleet is a group of 10 or more self-propelled vehicles under common ownership or management and used for business, commercial, or public transportation. Vehicles	A fleet is a group of 10 or more self-propelled vehicles under common ownership or management and used for business, commercial, or public transportation. Vehicles on a long-term		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	on a long-term lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. <i>For example</i> : If the insured owned 10 vehicles and leased (on a long term basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet.	 lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. For example: If the insured owned 10 vehicles and leased (on a long term basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability insurance. If the insured only had 9 vehicles insured for Liability insurance. If the insured only had 9 vehicles insured for Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet. Notes: The Applicant is required to provide proof of vehicle are leased to one lessee and meet the definition of a fleet. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate.	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate.		
	The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial	The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial vehicles		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	vehicles rated as private passenger (because of dual use), are included in the 120 month calculation. The months of Liability insurance on personal use recreational vehicles and private passenger vehicles solely used for pleasure (no driving to and from work for the applicant's business) is not included in the 120 month calculation. However, once it has been established that a risk is to be experience rated, private passenger vehicles other than those rated 07 shall be added (with any claims) on the policy and in the experience rating.	rated as private passenger (because of dual use), are included in the 120 month calculation. The months of Liability insurance on personal use recreational vehicles and private passenger vehicles solely used for pleasure (no driving to and from work for the applicant's business) is not included in the 120 month calculation. However, once it has been established that a risk is to be experience rated, private passenger vehicles other than those rated 07 shall be added (with any claims) on the policy and in the experience rating.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	Where a new fleet is being submitted to FA consisting of vehicles which are a sub-group of a voluntary market fleet and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. Where a vehicle(s) on an existing fleet is being newly insured through FA, the claim history shall follow the vehicle(s).	Where a new fleet is being submitted to FA consisting of vehicles which are a sub-group of a voluntary market fleet and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. Where a vehicle(s) on an existing fleet is being newly insured through FA, the claim history shall follow the vehicle(s).		
	Vehicles under 'common management' will be considered where the Named Insured has assumed full responsibility for the payment of insurance premiums and agreement is in place between the Named Insured and Vehicle Owner, demonstrating the following:	Vehicles under 'common management' will be considered where the Named Insured has assumed full responsibility for the payment of insurance premiums and agreement is in place between the Named Insured and Vehicle Owner, demonstrating the following:		
	 The Named Insured is responsible for the assignment of driver schedules and routes, ensuring compliance with hours of work regulations and The Named Insured maintains records of and deems acceptable all drivers who may operate a Vehicle and 	 The Named Insured is responsible for the assignment of driver schedules and routes, ensuring compliance with hours of work regulations and The Named Insured maintains records of and deems acceptable all drivers who may operate a Vehicle and 		
	 Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of 	 Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of 		
	 5. Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. 	 5. Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. 		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	 A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 335. 	 A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 335. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	 B. Fleet Rating Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. Experience rating includes the following: All losses (At-Fault and Not-at fault) 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; 	 B. Fleet Rating Fleets policies may only be issued on an annual basis Fleets policies may only be issued on an annual basis Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. Experience rating includes the following: All losses (At-Fault and Not-at fault) 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. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. 	 Amounts above FA deductibles when the prior Insurer had higher deductibles; Losses falling within any special agreements with the prior Insurer. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. 		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted.	Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. If a risk insured through FA meets the definition of a fleet, any vehicles added to the policy will be experience rated. The policy including any subsequent renewals will remain experience rated until the risk no longer meets the definition of fleet. Where a new fleet is being submitted to FA and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added vehicles are subject to experience rating as outlined in Rule 333:B. Fleet Rating.	If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added vehicles are subject to experience rating as outlined in Rule 333:B. Fleet Rating.		
	Midterm Rating Midterm rating is not permissible for changes that occur (i.e. revision of claim reserves) during the policy term merely because of the lapse of time.	Midterm Rating Midterm rating is not permissible for changes that occur (i.e. revision of claim reserves) during the policy term merely because of the lapse of time.		
	If it is discovered during a policy term that a risk is a fleet it shall be experience rated at the time of next renewal. If more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the earliest expiring policy, based on the information for all vehicles. The remaining vehicles shall be added to the fleet at the expiry date of their policies.	If it is discovered during a policy term that a risk is a fleet it shall be experience rated at the time of next renewal. If more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the earliest expiring policy, based on the information for all vehicles. The remaining vehicles shall be added to the fleet at the expiry date of their policies.		
	If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to experience rating and shall be insured to the common expiry date.	If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to experience rating and shall be insured to the common expiry date.		
	Optional Physical Damage Coverage Vehicles may not be covered for Comprehensive/Specified Perils only.	Optional Physical Damage Coverage Vehicles may not be covered for Comprehensive/Specified Perils only.		34 of

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	 The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage. Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending order. C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed. For example: The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1998 and May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered. 	The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage. Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending order. C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed. <i>For example</i> : The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1998 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	 D. New Applications Forms required for Fleet Submissions Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement This form provides additional information about the risk. 	 D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk. 		
Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
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Rule 335: Fleets	 e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The Applicant must understand that: The risk is bound from the effective date shown and an	 e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	earned premium shall be charged. The application is subject to the Facility Association fleet rating formula and the resulting premium may be substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 325: U.S. Exposure.	The application is subject to the Facility Association fleet rating formula and the resulting premium may be substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 325: U.S. Exposure.		
	The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 324: Proof of Insurance. Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation where indicated.	The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 324 : Proof of Insurance . Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation where indicated.		
	4. Agent/Broker responsibilities: Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays.	4. Agent/Broker responsibilities: Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays.		
	Premiums are to be calculated at Driving Record 0 and must include the U.S. Exposure Surcharge if applicable.	Premiums are to be calculated at Driving Record 0 and must include the Outside Province/Territory Exposure surcharge if applicable.		
	If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The	If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	 Servicing Carrier will also assist in determining rate groups which are not published. Collect from the applicant the premium quoted at driving record 0 or arrange a premium finance contract. The Agent/Broker is responsible for the pro rata earned premium based on the correct premium calculation at Driving Record 0 in the event of non-payment by the insured. Issue temporary (30 day) liability cards for each self-propelled vehicle listed on the Fleet Schedule as of the date coverage was bound. It is not permissible to use a "blanket" wording of any kind. A premium must be quoted and the risk bound before the fleet is submitted. 5. Servicing Carrier responsibilities: The Servicing Carrier shall not provide quotations or accept fleet submissions which have not been bound. Upon receipt of the properly completed documents the Servicing Carrier shall verify the information and loss history of the risk with the previous carrier as required and ensure prompt issuance of the policy documents. 6. If the revised premium is not acceptable: If a promulgated fleet rating is not acceptable to the Applicant, the coverage shall be cancelled without charge if all temporary liability cards are net received by the intended effective date (the date coverage was bound). Where the temporary liability cards are not received by the intended effective date (the date coverage was bound). Where the temporary liability cards are not received by the intended effective date (the date calculated pro rata on the quoted premium calculated at Driving Record 0. Otherwise the earned premium shall be calculated pro rata on the promulgated fleet rating. 	 Servicing Carrier will also assist in determining rate groups which are not published. Collect from the Applicant the premium quoted at driving record 0 or arrange a premium finance contract. The Agent/Broker is responsible for the pro rata earned premium based on the correct premium calculation at Driving Record 0 in the event of non-payment by the Insured. Issue temporary (30 day) liability cards for each self-propelled vehicle listed on the Fleet Schedule as of the date coverage was bound. It is not permissible to use a "blanket" wording of any kind. A premium must be quoted and the risk bound before the fleet is submitted. 5. Servicing Carrier responsibilities: The Servicing Carrier shall not provide quotations or accept fleet submissions which have not been bound. Upon receipt of the properly completed documents the Servicing Carrier shall verify the information and loss history of the risk with the previous carrier as required and ensure prompt issuance of the policy documents. 6. If the revised premium is not acceptable: If a promulgated fleet rating is not acceptable to the Applicant, the coverage was bound). Where the temporary liability cards are returned and received by the Servicing Carrier no later than the intended effective date (the date coverage was bound). Where the temporary liability cards are not received by the intended effective date (the date coverage was bound). Where the temporary liability cards are not received by the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additional premium within 30 days of receiving notice of the additio	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
		payment of the additional premium within 30 days of		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335:		receiving notice of the additional premium, the earned	FA aims to	This will
Fleets		premium for cancellation shall be calculated pro rata on the quoted premium calculated at Driving Record 0. Otherwise the earned premium shall be calculated pro rata on the promulgated fleet rating.	harmonize the wordings across all sections and jurisdictions	not impact premiums
	<i>For example</i> : The Agent/Broker bound coverage as of June 1 and quoted the Applicant a premium of \$10,000 at Driving Record 0. On June 20, the Agent/Broker receives	For example: The Agent/Broker bound coverage as of June 1 and quoted the Applicant a premium of \$10,000 at Driving Record 0. On June 20, the Agent/Broker receives the fleet policy from the Servicing Carrier. The fleet has	for the fleet rating of risk	
	the fleet policy from the Servicing Carrier. The fleet has been promulgated at a premium of \$12,000. The Agent/Broker advises the Insured of the premium increase	been promulgated at a premium of \$12,000. The Agent/Broker advises the Insured of the premium increase and the Insured advises he/she wants to cancel the policy. On		
	and the Insured advises he/she wants to cancel the policy. On July 15, the Agent/Broker advises the Insurer to cancel the policy for non-payment. Because the request for cancellation was received within 30 days of June 20, the earned premium will be calculated pro rata on a	July 15, the Agent/Broker advises the Insurer to cancel the policy for non-payment. Because the request for cancellation was received within 30 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.		
	premium of \$10,000. If a fleet rating has been established for a risk and the Applicant has rejected the premium, a new application covering any vehicle in the Applicant's name previously on the fleet, must be quoted to the Applicant at the fleet rate not driving record 0. In the event that a policy issued	If a fleet rating has been established for a risk and the Applicant has rejected the premium, a new application covering any vehicle in the Applicant's name previously on the fleet, must be quoted to the Applicant at the fleet rate not driving record 0. In the event that a policy issued from that new application must be cancelled because the Applicant		
	from that new application must be cancelled because the Applicant rejects the premium, the earned premium shall be calculated pro rata of the fleet rate not driving record	rejects the premium, the earned premium shall be calculated pro rata of the fleet rate not driving record 0.		
	0.	If a fleet rate has been established and the policy is cancelled because the Applicant rejects the premium, a new application is submitted within 30 days will remain fleet rated. Individually rating the vehicle will not be permitted unless the risk no longer meets the definition of a fleet.		
	<i>For example</i> : Using the above example, on September 1, the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 at Driving Record 0. The policy is	For example: Using the above example, on September 1, the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 at Driving Record 0. The policy is issued		
	issued at a premium of \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker requests cancellation for non-payment on October 10. The earned	at a premium of \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker requests cancellation for non- payment on October 10. The earned premium will be		
	premium will be calculated pro rata on a premium of \$12,000. 7. Premium Calculation	calculated pro rata on a premium of \$12,000. 7. Premium Calculation Note:		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	 Note: Refer to Rule 313 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual. E. Renewals Prior to the expiry of experience rated insurance, the Servicing Carrier may ask the Agent/Broker to have certain forms completed to update the information on record. Such a request will usually be made well in advance of the expiry date because of the need to issue the renewal policy/certificate/offer-to- renew before the insurance expires. The appropriate renewal documents shall not be issued unless and until the required forms, properly completed, have been returned. Fleet renewals cannot be issued with 6 month terms. Annual renewals only will be renewed as annual policies on their next renewal. 	 Refer to Rule 313 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual. E. Renewals Prior to the expiry of experience rated insurance, the Servicing Carrier may ask the Agent/Broker to have certain forms completed to update the information on record. Such a request will usually be made well in advance of the expiry date because of the need to issue the renewal policy/certificate/offer to renew before the insurance expires. The appropriate renewal documents shall not be issued unless and until the required forms, properly completed, have been returned. Fleet renewals cannot be issued with 6 month terms. Annual renewals only will be issued. Policies currently having 6 month terms will be renewed as annual policies on their next renewal. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
RECREATIO	NAL SECTION			
Table of Contents	Rule 427: Outside U.S Exposure A. U.S Exposure Surcharge B. Currency Differential Surcharge	Rule 427: Outside Province Exposure A. U.S Exposure Surcharge B. Currency Differential Surcharge	Name change update	This will not impact premiums
Rule 407: Policy Issuance – General	D. Use Outside Jurisdiction in Which Vehicle is Registered If there is regular or frequent use of a vehicle outside the jurisdiction in which the vehicle is usually garaged, full details must be submitted to the Servicing Carrier so that the appropriate rates may be established. If there is regular or frequent use in the U.S. refer to Rule 427: U.S. Exposure	D. Use Outside Jurisdiction in Which Vehicle is Registered If there is regular or frequent use of a vehicle outside the jurisdiction in which the vehicle is usually garaged, full details must be submitted to the Servicing Carrier so that the appropriate rates may be established. If there is regular or frequent use in the U.S. refer to Rule 427 : U.S. Exposure	Remove of rule name for simplify the wording across all jurisdictions	This will not impact premiums

Current W	ording	Approved	d Wording	Change from Current	Premium impact on existing policies
1. Driving Record Entitlement The driving record established applies to all coverage. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages.		The driving record established which a driving record is a fact chargeable accident will affect DCPD (<i>Not available in Northw</i>	applies to all coverage for or. There is no split rating. A the rating of the Liability, rest Territories, Nunavut and	Upon a review of FA rule there needs to be an updated to align with current rate pages	This will not impact premiums
conditions. If there is use outsi during a month where the table "Nil" there shall be an additiona month equal to pro-rata of the surcharge for U.S. exposure is	de the season or Canada e indicates the charges as al premium charged for that annual premium. The applicable, except where	conditions. If there is use outs during a month where the tabl there shall be an additional pre- equal to pro-rata of the annual Outside of Province/Territory in applicable, except where the v	ide the season or Canada e indicates the charges as "Nil" emium charged for that month I premium. The surcharge for ncluding U.S. exposure is ehicle is used for personal use	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Maxiumum surcharge to be app major and minor convictions is	lied for accidents, serious, 200%	Maximum surcharge to be a major and minor convictions is	pplied for accidents, serious, 5 250%	To harmonize with all other	This may impact premiums
Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	jurisdictions,	
Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	0% 30% 10% 25% 25% 5% 15% 25% 15% 50%	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	20% 30% 15% 25% 25% 5% 15% 25% 15% 100%	some voluntary markets now charge 100% for a criminal code/serious conviction.	
	 1. Driving Record Entitlemer The driving record established a chargeable accident will affect the DCPD and Collision coverages. 3. The tables below apply to see conditions. If there is use outsid during a month where the table "Nil" there shall be an additional month equal to pro-rata of the surcharge for U.S. exposure is a the vehicle is used for personal insurance is not required. C. Accident/Conviction Surce Maxiumum surcharge to be appending a months Events in the preceding 36 months Chargeable Accidents: 2 3 Each additional Minor Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 	The driving record established applies to all coverage. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages. 3. The tables below apply to seasonal use/Canadian conditions. If there is use outside the season or Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. C. Accident/Conviction Surcharge Table Maxiumum surcharge to be applied for accidents, serious, major and minor convictions is 200% Events in the preceding 36 months Chargeable Accidents: 2 0% 3 30% Each additional 10% Major Convictions 2 1 25% Each additional 25% A 25% Each additional 15% Serious Convictions 15%	1. Driving Record Entitlement 1. Driving Record Entitlement The driving record established applies to all coverage. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages. 1. Driving Record Entitlement 3. The tables below apply to seasonal use/Canadian conditions. If there is use outside the season or Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. 3. The tables below apply to seasonal use/Canadian conditions. If there is use outside the season or Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge to be applied for accidents, serious, major and minor convictions is 200% 3. The tables below apply to seasonal use only and proof of insurance is not required. C. Accident/Conviction Surcharge Table Maxiumum surcharge to be applied for accidents, serious, major and minor convictions is 200% C. Accident/Conviction Surcharge Table Maxiumum surcharge to be applied for accidents, serious, a 3 a 30% Each additional 10% 3 Major Convictions 2 3 1 25% 3 Each additional 15% 3 A 25% 4 26% Each additional 15% 50%	1. Driving Record Entitlement	from Current 1. Driving Record Entitlement Upon a robust of the characteristic of the characteri

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies		
Rule 427: U.S. Exposure	U.S. ExposureA. U.S. Exposure SurchargeAny vehicle that is operated in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required	Outside Province Exposure A. Outside Province Exposure Surcharge Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to the U.S. exposure a surcharge. This surcharge shall apply to all classes of vehicles where proof of	Currency differential surcharge will be discontinued	This will impact premiums		
	and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not	insurance is required and/ or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required.	and simply its rating			
	The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used in the U.S.	The Insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used outside Province/Territory including in the U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 433.				
		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.	3.			
	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask insureds whether or not proof of	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. 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.				
	insurance must be filed and, if so, in what amount. Liability, DPCD, Accident Benefits, Uninsured Automobile, END 44	Liability, Accident Benefits, Uninsured Automobile, DCPD, END 44 If this exposure is 5.0% or less of total mileage in the U.S. or applicable Canadian jurisdiction, a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile, DCPD and END 44				
	For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.	For each percentage point of If this exposure is over 5.0% of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.				

Rule	Curre	nt Wording	Арр	roved Wording	Change from Current	Premium impact on existing policies
Rule 427:	For example:		For example:		Currency	This will
	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge	differential	impact
U.S. Exposure	5% or less and proof of	5%	Exposure		surcharge	premiums
	insurance required		Up to 5% or less and	5%	will be	-
	10%	10%	proof of insurance		discontinued	
	25%	25%	required		as FA is	
	50%	50%	10%	10%	working	
			25%	25%	towards	
			50%	50%	modernizing and simply	
	Optional Physical Dama For each percentage point other applicable jurisdiction applicable premium.	of mileage in the U.S. or		age t of total mileage in the U.S. or n jurisdiction, surcharge .50% of the	its rating	
	For example:		For example:			
	For example: U.S. Exposure	Applicable Surcharge	For example: Outside Province	Applicable Surcharge		
	6%	3%	Exposure	Applicable Suicharge		
	10%	5%	6%	3%		
			10%	5%		
	25% 50%	12.5% 25%	25%	12.5%		
	50%	2376	50%	25%		
	the Liability premium to pr additional loss arising from dollars. The currency differential is charged for the U.S. dollar the date the premium is ca Carrier for policy issuance. use the Bank of Canada clo published day. The surcharge percenta the following formula:	ice is required by U.S. Gerential surcharge is added to rovide for the potential in the payment of a claim in U.S. is the rate of exchange being i, to the nearest cent, as at alculated by the Servicing . The Servicing Carrier shall osing rate from the previous ge is calculated by means of J.S. exposure surcharge he U.S. dollar is 1.3085 ferential is 0.31.	currency differential surcl premium to provide for the from the payment of a cla The currency differential charged for the U.S. dolla the date the premium is of Carrier for policy issuance use the Bank of Canada of published day. The surcharge percent following formula: Currency differential x For example:	nce is required by U.S. authorities, a harge is added to the Liability he potential additional loss arising aim in U.S. dollars. is the rate of exchange being or, to the nearest cent, as at calculated by the Servicing b. The Servicing Carrier shall chosing rate from the previous age is calculated by means of the U.S. exposure surcharge the U.S. dollar is 1.3085 Canadian. ifferential is 0.31.		

U.S. Exposure 0.31 × 25% = 7.75% differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. differential surcharge 3. Additional to but not compounded on the U.S. exposure surcharge: S1,000 U.S. Exposure Surcharge is 2. Not subject to a minimum surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 2. Not subject to a minimum surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 5. Payable only when proof of insurance is required by U.S. authorities. fm clability premium status of the currency differential subject to a minimum of \$50 per policy term. discontine 5. Payable only when proof of insurance is required by U.S. authorities. fm addition to the Servicing Carrier's feet of filing proof of insurance is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$238, well exceeding the minimum of \$50 per policy term. For example: Uestide um a whicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. m. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. m. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes.	Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
U.S. Exposure The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. The Currency differential surcharge is 2. Not subject to a minimum surcharge surcharge surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. Surcharge image: Surcharge surcharge surcharge surcharge 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. image: Surcharge image: Surcharge surcharge surcharge surcharge 2. Not subject to a minimum is The Liability premium is Supposer Surcharge is Subject to a minimum of \$10,000 X 7.75 = 77.50 Site Liability premium \$1,000 U.S. Exposure \$1,000 X 7.75 = 77.50 Site Liability premium \$1,000 X 7.75 = 77.50 Site Liability p	ule 427:			Currency	This will
1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. 1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. 1. Applied only to the Liability premium (Road/Passenger Hazard), not DPCD. 1. Additional to but not compounded on the U.S. exposure surcharge. 1. Additional to but not compounded on the U.S. exposure surcharge is 25%. The Liability premium 100 X.S. Exposure 11,000 X.25 1. Additional to but not sompounded on the U.S. exposure 11,000 X.25 1. Additional to but not compounded on the U.S. exposure 11,000 X.25 1. Additional to but not compounded on the U.S. exposure 11,000 X.25 1. Additional to but not compounded on the U.S. exposure 11,000 X.25 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of insurance. 1. Addition to the Servicing Carrier's fee for filing proof of the currency differential sucharge is 578. The total combined dollar value of the currency differential sucharge is 578. The total combined dellar value is \$328, well exceeding the minimum required. Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating puroses.					impact
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2. Not subject to a minimum surcharge 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. 3. Additional to but not compounded on the U.S. exposure surcharge. 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not compounded on the U.S. exposure surcharge is 3. Additional to but not to the surrely of the currency differential surcharge and the U.S. exposure surcharge is s250 and the dollar value of the U.S. exposure surcharge is s250 and the dollar value of the curren					
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3. Additional to but not compounded on the U.S. exposure surcharge. surcharge. towards moderniz and simp its rating 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 1,000 X 7.75 = 77.50 \$78 State Premium 51,000 U.S. Exposure S1,000 X 7.75 = 77.50 \$78 State Premium 51,000 U.S. Exposure S1,000 X 7.75 = 77.50 \$78 State Premium 51,000 X .25 250 Currency Differential Surcharge is 7,75% Base Premium 51,000 X .25 250 Currency Differential Surcharge is 7,75% Base Premium 51,000 X .25 250 Currency Differential Surcharge is 7,75% Base Premium 51,000 X .25 250 Currency Differential Surcharge is 7,75% Base Premium 51,000 X .25 250 Currency Differential Surcharge is 7,75% Base Premium 51,000 X .25 250 Currency Differential Surcharge is 7,75% Base Premium 51,000 X .25 250 Currency Differential Surcharge is 7,000 X .25 250 Currency Differential Surcharge is 51,000 X .25 - 77.50 - 77.50 Surcharge and the U.S. exposure surcharge is 520 and the dollar value of the U.S. exposure surcharge is 5250 and the dollar value of the U.S. exposure surcharge is 528 and the dollar value of the U.S. exposure surcharge is 528. The total combined dollar value is 5328, well exceeding the minimum required. Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. W		2. Not subject to a minimum sucharge			
exposure surcharge. Example: moderniz The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% Duscere Surcharge is 25% U.S. Exposure \$1,000 X.25 250 Currency Differential Surcharge is 7.75% Base Premium \$1,000 X.7.5 = 77.50 \$78 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. \$1,600 X.25 5. Payable only when proof of insurance is required by U.S. authorities. \$1,328 6. The combined dollar value of the currency differential surcharge is subject to a minimum of \$50 per policy term. 5. Payable only when proof of insurance is \$78. The total combined dollar value of the currency differential surcharge is \$250 and the dollar value of the currency differential surcharge is \$250 and the dollar value of the currency differential surcharge is \$28, well exceeding the minimum required. Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. FA aims i harmoniz and singular purposes.		3 Additional to but not compounded on the U.S.	· · · ·	5	
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Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 U.S. Exposure \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 In addition to the Servicing Carrier's fee for filing proof of insurance. Payable only when proof of insurance is required by U.S. authorities. 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 currency differential surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar v					
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Rule 433: Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating Dursoes. Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the currency differential surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the userency differential surcharge is \$28, well exceeding the minimum required. Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes.					
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Proof of insurance.		4. In addition to the Servicing Carrier's fee for filing			
Rule 433: Wehicles Used Outside Wehicles Used Outside Wehicles Used Outside			5		
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.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 \$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.Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating Outside When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes minimum of \$50 per policy term.FA aims to harmoniz and simp for rating purposes.			5 5 1 1 5		
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.For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.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.FA aims the harmoniz and simp the volue is \$328, well exceeding the minimum required.Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes 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.FA aims the word harmoniz		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		
of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.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.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.Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating for rating purposes 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 for rating purposes 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 for rating purposes.FA aims the harmoniz and simp the word		For example: Using the example above, the dollar value of			
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minimum required. dollar value is \$328, well exceeding the minimum required. Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes.		5 0			
Rule 433: When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes.					
Vehicles Used OutsideWhen a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes.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.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.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.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.Marmoniz and simp the word		minimum required.	dollar value is \$328, well exceeding the minimum required.		
Vehicles Used Outsideanother, the following is to be used as a guide for rating purposes.chiefly used in another, the following is to be used as a guide for rating purposes.and simp the word	Rule 433:		 	FA aims to	This will
Outside purposes. for rating purposes. the word				harmonize	not impact
		another, the following is to be used as a guide for rating		and simplify	premiums
		purposes.	for rating purposes.	the wording	
	urisdiction of			across all	
Registration1. 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.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.	egistration	jurisdiction where it is legally registered, even if the	jurisdiction where it is legally registered, even if the	jurisdictions	

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 433: Vehicles Used Outside Jurisdiction of Registration	 If it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 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 St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. See Rule 427: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 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 used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in the highest rated region. 	 If it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. <i>For example</i>: The insured resides in Cander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. <i>For example</i>: The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. See Rule 427: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 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 used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated region. 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 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 433: Vehicles Used Outside Jurisdiction of Registration	Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4	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. Region 1 — Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 — Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 — West and North Rate as Alberta Territory 4	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
Rule 434: Purchasing Vehicles in Jurisdictions Where FA Does Not Operate	 Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% U.S. Exposure Surcharge applies. 	 Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for Outside Province/Territory including U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% Outside Province /Territory Exposure Surcharge applies. 	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 438: Fleets	A. Definition	 A. Definition A fleet is: A group of 10 or more self-propelled vehicles; Under common ownership or management; Used for business (incl. Class 07 and vehicles used for dual purposes), commercial or public transportation; Includes vehicles on a long term lease; 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438:		The Applicant must have had 120 months of Liability	FA aims to	This will
Fleets	A fleet is a group of 10 or more self-propelled vehicles under common ownership or management and used for business, commercial, or public transportation. Vehicles on a long-term lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured.	 insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. A fleet is a group of 10 or more self-propelled vehicles under common ownership or management and used for business, commercial, or public transportation. Vehicles on a long-term lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. 	harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	not impact premiums
	<i>For example</i> : If the insured owned 10 vehicles and leased (on a long term basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability in that period, there would only be 108 months of Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet.	<i>For example</i> : If the insured owned 10 vehicles and leased (on a long term basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet.		
		 Notes: The Applicant is required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet. 		
	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate. The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial vehicles rated as private passenger (because of dual use), are included in the 120 month calculation. The months of Liability insurance on personal use recreational vehicles and private passenger vehicles solely used for pleasure (no driving to and from work for the applicant's business) is part included in the 120 month calculation. Liability insurance	insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate. The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial vehicles rated as private passenger (because of dual use), are included in the 120 month calculation. The months of Liability insurance on personal use recreational vehicles and private passenger vehicles solely used for pleasure (no driving to and from work for the applicant's business) is not included in the	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	is not included in the 120 month calculation. However, once it has been established that a risk is to be experience rated, private passenger vehicles other than those rated 07 shall be added (with any claims) on the policy and in the experience rating.	120 month calculation. However, once it has been established that a risk is to be experience rated, private passenger vehicles other than those rated 07 shall be added (with any claims) on the policy and in the experience rating.		
	Where a new fleet is being submitted to FA consisting of vehicles which are a sub-group of a voluntary market fleet and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. Where a vehicle(s) on an existing fleet is being newly insured through FA, the claim history shall follow the vehicle(s).	Where a new fleet is being submitted to FA consisting of vehicles which are a sub-group of a voluntary market fleet and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. Where a vehicle(s) on an existing fleet is being newly insured through FA, the claim history shall follow the vehicle(s).		
	 Vehicles under 'common management' will be considered where the Named Insured has assumed full responsibility for the payment of insurance premiums and agreement is in place between the Named Insured and Vehicle Owner, demonstrating the following: 1. The Named Insured is responsible for the assignment of driver schedules and routes, ensuring compliance with hours of work regulations and 2. The Named Insured maintains records of and deems acceptable all drivers who may operate a Vehicle and 	 Vehicles under 'common management' will be considered where the Named Insured has assumed full responsibility for the payment of insurance premiums and agreement is in place between the Named Insured and Vehicle Owner, demonstrating the following: 1. The Named Insured is responsible for the assignment of driver schedules and routes, ensuring compliance with hours of work regulations and 2. The Named Insured maintains records of and deems acceptable all drivers who may operate a Vehicle and 		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	 Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of conduct, training and service standards, and Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 438. 	 Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of conduct, training and service standards, and Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 438. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	 B. Fleet Rating Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. Experience rating includes the following: All losses (At-Fault and Not-at-fault) 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; 	 B. Fleet Rating Fleet policies may only be issued on an annual basis. Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. Experience rating includes the following: All losses (At-Fault and Not-at-fault) 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; 		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	 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. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. 	 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. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. If a risk insured through FA meets the definition of a fleet, any vehicles added to the policy will be experience rated. The policy including any subsequent renewals will remain experience rated until the risk no longer meets the definition of fleet. Where a new fleet is being submitted to FA and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added vehicles are subject to experience rating as outlined in Rule 333:B. Fleet Rating.	to provide the claim history documentation for the vehicles to be insured through FA. If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added vehicles are subject to experience rating as outlined in Rule 333:B. Fleet Rating.		
	Midterm Rating Midterm rating is not permissible for changes that occur (i.e. revision of claim reserves) during the policy term merely because of the lapse of time.	Midterm Rating Midterm rating is not permissible for changes that occur (i.e. revision of claim reserves) during the policy term merely because of the lapse of time.		
	If it is discovered during a policy term that a risk is a fleet it shall be experience rated at the time of next renewal. If more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the	If it is discovered during a policy term that a risk is a fleet it shall be experience rated at the time of next renewal. If more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the earliest expiring		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	earliest expiring policy, based on the information for all vehicles. The remaining vehicles shall be added to the fleet at the expiry date of their policies.If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to experience rating and shall be insured to the common	policy, based on the information for all vehicles. The remaining vehicles shall be added to the fleet at the expiry date of their policies. If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to experience rating and shall be insured to the common expiry	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet	This will not impact premiums
	 expiry date. Optional Physical Damage Coverage Vehicles may not be covered for Comprehensive/Specified Perils only. The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage. Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in deconding order. 	date. Optional Physical Damage Coverage Vehicles may not be covered for Comprehensive/Specified Perils only. The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage. Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending arder.	rating of risk	
	 to each in descending order. C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed. For example: The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1998 and May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had 2 losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered. D. New Applications Forms required for Fleet Submissions Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". 	 descending order. C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed. For example: The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1998 and May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1997 and May 1, 1997. But in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered. D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy".		

			Change from Current	Premium impact on existing policies
Rule 438: Fleets	 b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement This form provides additional information about the risk. e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. The application is subject to the Facility Association fleet rating formula and the resulting premium may be substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 427: U.S. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 426: Proof of Insurance. Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation 	 b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk. e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. The application is subject to the Facility Association fleet rating formula and the resulting premium may be substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 427: U.S. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 426:-Proof of Insurance. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	policies This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438:	4. Agent/Broker responsibilities:	4. Agent/Broker responsibilities:	FA aims to	This will
Fleets	Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays.	Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays. Premiums are to be calculated at Driving Record 0 and must	harmonize the wordings across all sections and jurisdictions for the fleet	not impact premiums
	Premiums are to be calculated at Driving Record 0 and must include the U.S. Exposure Surcharge if applicable. If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The Servicing Carrier will also assist in determining rate groups which are not published.	include the Outside Province/Territory Exposure surcharge if applicable. If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The Servicing Carrier will also assist in determining rate groups which are not published.	rating of risk	
	Collect from the applicant the premium quoted at driving record 0 or arrange a premium finance contract. The Agent/Broker is responsible for the pro rata earned premium based on the correct premium calculation at Driving Record 0 in the event of non-payment by the insured.	Collect from the Applicant the premium quoted at driving record 0 or arrange a premium finance contract. The Agent/Broker is responsible for the pro rata earned premium based on the correct premium calculation at Driving Record 0 in the event of non-payment by the Insured.		
	Issue temporary (30 day) liability cards for each self- propelled vehicle listed on the Fleet Schedule as of the date coverage was bound. It is not permissible to use a "blanket" wording of any kind. A premium must be quoted and the risk bound before the fleet is submitted.	Issue temporary (30 day) liability cards for each self- propelled vehicle listed on the Fleet Schedule as of the date coverage was bound. It is not permissible to use a "blanket" wording of any kind. A premium must be quoted and the risk bound before the fleet is submitted.		
	5. Servicing Carrier responsibilities: The Servicing Carrier shall not provide quotations or accept fleet submissions which have not been bound.	5. Servicing Carrier responsibilities: The Servicing Carrier shall not provide quotations or accept fleet submissions which have not been bound.		
	Upon receipt of the properly completed documents the Servicing Carrier shall verify the information and loss history of the risk with the previous carrier as required and ensure prompt issuance of the policy documents.	Upon receipt of the properly completed documents the Servicing Carrier shall verify the information and loss history of the risk with the previous carrier as required and ensure prompt issuance of the policy documents.		
	6. If the revised premium is not acceptable: If a promulgated fleet rating is not acceptable to the Applicant, the coverages shall be cancelled without charge if all temporary liability cards are returned and received by the Servicing Carrier no later than the intended effective date (the date coverage was bound). Where the	6. If the revised premium is not acceptable: If a promulgated fleet rating is not acceptable to the Applicant, the coverages shall be cancelled without charge if the policy is cancelled by the Applicant no later than the all temporary liability cards are returned and received by the		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	temporary liability cards are not received by the intended effective date and the Agent/Broker reports non-payment of the additional premium within 30 days of receiving notice of the additional premium, the earned premium for cancellation shall be calculated pro rata on the quoted premium calculated at Driving Record 0. Otherwise the earned premium shall be calculated pro rata on the promulgated fleet rating.	Servicing Carrier no later than the intended effective date (the date coverage was bound). Where the temporary liability cards are not received by the intended effective date and the Agent/Broker reports non-payment of the additional premium within 30 days of receiving notice of the additional premium, the earned premium for cancellation shall be calculated pro rata on the quoted premium calculated at Driving Record 0. Otherwise the earned premium shall be calculated pro rata on the promulgated fleet rating.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	For example: The Agent/Broker bound coverage as of	After the effective date, where the Agent/Broker reports non- payment of the additional premium within 30 days of receiving notice of the additional premium, the earned premium for cancellation shall be calculated pro rata on the quoted premium calculated at Driving Record 0. Otherwise the earned premium shall be calculated pro rata on the promulgated fleet rating.		
	June 1 and quoted the Applicant a premium of \$10,000 at Driving Record 0. On June 20, the Agent/Broker receives the fleet policy from the Servicing Carrier. The fleet has been promulgated at a premium of \$12,000. The Agent/Broker advises the Insured of the premium increase and the Insured advises he/she wants to cancel the policy. On July 15, the Agent/Broker advises the Insurer to cancel the policy for non-payment. Because the request for cancellation was received within 30 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.	<i>For example</i> : The Agent/Broker bound coverage as of June 1 and quoted the Applicant a premium of \$10,000 at Driving Record 0. On June 20, the Agent/Broker receives the fleet policy from the Servicing Carrier. The fleet has been promulgated at a premium of \$12,000. The Agent/Broker advises the Insured of the premium increase and the Insured advises he/she wants to cancel the policy. On July 15, the Agent/Broker advises the Insurer to cancel the policy for non-payment. Because the request for cancellation was received within 30 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.		
	If a fleet rating has been established for a risk and the Applicant has rejected the premium, a new application covering any vehicle in the Applicant's name previously on the fleet, must be quoted to the Applicant at the fleet rate not driving record 0. In the event that a policy issued from that new application must be cancelled because the Applicant rejects the premium, the earned premium shall be calculated pro rata of the fleet rate not driving record 0.	If a fleet rating has been established for a risk and the Applicant has rejected the premium, a new application covering any vehicle in the Applicant's name previously on the fleet, must be quoted to the Applicant at the fleet rate not driving record 0. In the event that a policy issued from that new application must be cancelled because the Applicant rejects the premium, the earned premium shall be calculated pro rata of the fleet rate not driving record 0.		
		If a fleet rate has been established and the policy is cancelled because the Applicant rejects the premium, a new application is submitted within 30 days will remain fleet rated. Individually rating the vehicle will not be permitted unless the risk no longer meets the definition of a fleet.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	<i>For example</i> : Using the above example, on September 1, the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 at Driving Record 0. The policy is issued at a premium of \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker requests cancellation for non-payment on October 10. The earned premium will be calculated pro rata on a premium of \$12,000.	<i>For example</i> : Using the above example, on September 1, the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 at Driving Record 0. The policy is issued at a premium of \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker requests cancellation for non-payment on October 10. The carned premium will be calculated pro rata on a premium of \$12,000.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	 7. Premium Calculation Note: Refer to Rule 414 on rating of experience (fleet) rated risk For other classes of business, refer to the appropriate section of the manual. E. Renewals Prior to the expiry of experience rated insurance, the Servicing Carrier may ask the Agent/Broker to have certain forms completed to update the information on record. Such a request will usually be made well in advance of the expiry date because of the need to issue the renewal policy/certificate/offer-to- renew before the insurance expires. The appropriate renewal documents shall not be issued unless and until the required forms, properly completed, have been returned. Fleet renewals cannot be issued with 6 month terms. Annual renewals only will be renewed as annual policies on their next renewal.	 7. Premium Calculation Note: Refer to Rule 414 on rating of experience (fleet) rated risk For other classes of business, refer to the appropriate section of the manual. E. Renewals Prior to the expiry of experience rated insurance, the Servicing Carrier may ask the Agent/Broker to have certain forms completed to update the information on record. Such a request will usually be made well in advance of the expiry date because of the need to issue the renewal policy/certificate/offer to renew before the insurance expires. The appropriate renewal documents shall not be issued unless and until the required forms, properly completed, have been returned. Fleet renewals cannot be issued with 6 month terms. Annual renewals only will be issued. Policies currently having 6 month terms will be renewed as annual policies on their next renewal.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
GARAGE SEC	TION			
Table of Contents	Rule 607: Territory and U.S. Exposure	Rule 607: Outside Province Exposure	Name change update	This will not impact premiums
Rule 607:	Territory and U.S. Exposure	Territory and U.S. Outside Province Exposure	Currency	This will
Territory and U.S. 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	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	differential surcharge will be discontinued	impact premiums
	per year to or through more than one rating territory in Newfoundland, the highest rated of those territories is to be used.	year to or through more than one rating territory in Newfoundland, the highest rated of those territories is to be used.	as FA is working towards modernizing	
	U.S. Exposure Surcharge Any garage risk with exposure for operations in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to garage risks where proof of insurance is required.	Outside Province Exposure Surcharge Any garage risk with exposure for operations in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to garage risks where proof of insurance is required.	and simply its rating	
	NOTE: Where vehicles/dealer plates associated with the garage risk 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.	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 or where the vehicles are used for business, commercial purposes or carrying passengers. NOTE: Where vehicles/dealer plates associated with the garage risk 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 exposure involves a vehicle used for personal use only and proof of insurance is not required.	The surcharge does not apply where the exposure involves a 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 vehicles/dealer plates will be used in the U.S.	The Insured must advise the Agent/Broker the percentage of the total mileage that vehicles /dealer plates will be used outside the Province/Territory including in the U.S. and the jurisdiction(s) into where 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.		
	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply		55 0

Rule	Cu	urrent Wording	Арр	proved Wording	Change from Current	Premium impact on existing policies
Rule 607: Territory and U.S. Exposure	Accident Benefits and	um - Liability, DCPD, Accident	Benefits and Uninsured A Basic Garage Premium Uninsured Automobile If the exposure is 5.0% applicable Canadian juris	n - Liability, Accident Benefits,	v to as FA is nd working towards	This will impact premiums
		oint of mileage in the U.S. or othe surcharge 1% of the applicable	total mileage in the U.S.	nt If this exposure is over 5.0% of or other applicable Canadian % of the applicable premium.	modernizing and simply its rating	
	U.S. Exposure	Applicable Surcharge	Outside Province Exposure	Applicable Surcharge		
	Up to 5% and proof of insurance required	of 5%	Up to 5% and proof of insurance required	5%		
	10%	10%	10%	10%		
	25%	25%	25%	25%		
	50%	50%	50%	50%		
		oint of mileage in the U.S. or othe surcharge .50% of the applicable Applicable	For each percentage poin other applicable Canadia applicable premium For example: Outside Province	n – Optional Physical Damage nt of total mileage in the U.S. or n jurisdiction, surcharge .50% of t Applicable	the	
	(0)	Surcharge		Surcharge		
	6%	3.0%		3%		
	10%	5.0%		5%		
	25%	12.50%	25%	12.5%		
	50%	25%	50%	25%		
	information, log books	r's discretion, a copy of fuel tax and/or other pertinent records ma nileage and travelled jurisdictions.	y information, log books a	s discretion, a copy of fuel tax nd/or other pertinent records may le 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. The currency differential surcharge is: Applied only to the Liability premium (Not DCPD) Not subject to a minimum surcharge. Additional to but not compounded on the U.S. Exposure surcharge (See Rule 607: Territory and U.S. Exposure). Additional to the Servicing Carrier's fee for filing proof of insurance. Payable only when proof of insurance is required by U.S. authorities. Subject to a minimum of \$50 per policy term for the combined dollar value of the currency differential surcharge and the U.S. Exposure surcharge. Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the Currency Differential is 0.31 U.S. Exposure Surcharge is 25% (.25 factor) Currency Differential Surcharge is 0.31 X .25 = .0775 Liability premium \$1,000 U.S. Exposure Surcharge 0.775 Base premium \$1,000 	 B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The currency differential surcharge is: Applied only to the Liability premium (Not DCPD) Not subject to a minimum surcharge. Additional to but not compounded on the U.S. Exposure surcharge (See Rule 607: Territory and U.S. Exposure). Additional to the Servicing Carrier's fee for filing proof of insurance. Payable only when proof of insurance is required by U.S. authorities. Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the Currency Differential is 0.31 U.S. Exposure Surcharge is -0.31 X.25 = .0775 Liability premium \$1,000 U.S. Exposure Surcharge (See Currency -0.775 Base premium for U.S. 25 	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This will impact premiums
	U.S. Exposure \$1,000 X .25\$250Currency Differential \$1,000 X .077577.50Total Liability premium\$1,328C. Renewal or Offer to RenewD. Policy Cancellation, Vehicle Deletion	Currency Differential \$1,000 X .0775 - 77.50 \$78Total Liability premium\$1,328B. Renewal or Offer to Renew\$1,000 X .0775 - 77.50 \$1,000 X .0775 \$1,000 X .0775 - 77.50 \$1,000 X .0775 \$1,000 X .07		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 622: Additional Charges to the Basic Garage Premium	 3. Accident Surcharge All at fault accidents arising out of the use of vehicles in the business stated in item 3 of the application and all at fault accidents arising out of the use of any vehicle by a person listed as a driver are to be counted. At fault accidents of a listed driver will first be counted against the individually rated vehicles (includes service/parts trucks, tow trucks, END 70, 76 and 80, dealer plates) to which they have been assigned in accordance with the section of the manual in which they are rated. If accidents cannot be counted in this manner because the driver has not been assigned an individually rated vehicle, then the accidents will be counted against the Basic Garage Premium. Accidents for which a charge has been made on another policy written through Facility Association with the same Servicing Carrier are not included when determining the surcharge amount for the Basic Garage Premium. The surcharge for at fault accidents applied to Liability, DCPD, Owned Automobiles Collision and Legal Liability for Customers' Automobiles is 10% for each at fault accident above 5, the surcharge is 20%. Accidents will only be considered if they occurred in the 36 months preceding the commencement date of the policy term. 	 3. Accident Surcharge All at fault accidents arising out of the use of vehicles in the business stated in item 3 of the application and all at fault accidents arising out of the use of any vehicle by a person listed as a driver are to be counted. At fault accidents of a listed driver will first be counted against the individually rated vehicles (includes service/parts trucks, tow trucks, END 70, 76 and 80, dealer plates) to which they have been assigned in accordance with the section of the manual in which they are rated. If accidents cannot be counted in this manner because the driver has not been assigned an individually rated vehicle, then the accidents will be counted against the Basic Garage Premium. Accidents for which a charge has been made on another policy written through Facility Association with the same Servicing Carrier are not included when determining the surcharge amount for the Basic Garage Premium. The surcharge for at fault accidents applied to Liability, DCPD, Owned Automobiles Collision and Legal Liability for Customers' Automobiles is 10% for each at fault accident up to and including 5. For each additional accident above 5, the surcharge is 20%. Accidents will only be considered if they occurred in the 36 months preceding the commencement date of the policy term. 	The Accident Conviction has been changed and moved to Rule 623	This will not impact premiums
Rule 623.A Accident and Conviction Surcharges	Maximum surcharge to be applied for Accidents and Convictions is 250%. A. Conviction Surcharge Table Events in the preceding 36 months Serious Convictions 1 50% Each additional 100%	Maximum surcharge to be applied for Accidents and Convictions is 250%. A. 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%	To align accident surcharge sections of the manual in all jurisdictions	This will impact premiums

Accident and Conviction Surcharges Ea Mi Ea DRIVER'S POLICY Ru Table of Contents Ru Rule 724.C Ma Accident / Conviction Surcharge Ma	Aajor Convictions 1 ach additional Anor Convictions 2 3 4 ach additional CY SECTION FOR INFORM Rule 726: U.S. Exposure 3. U.S. Exposure Surcharge 4. U.S. Exposure Surcharge 5. Currency Differential Surcharge 6. Currency Differential Surcharge 6. Accident/Conviction Surch Maxiumum surcharge to be app	rge harge Table	Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional Rule 726: Outside Province A. U.S. Exposure Surcharge B. Currency Differential Surch C. Accident/Conviction Sur	harge	In Nfld., some voluntary markets now charge 100% for a criminal code/serious conviction.	This will impact premiums This will not impact premiums
Accident and Conviction Surcharges Ea Mi Ea DRIVER'S POLICY Ru Table of Contents Ru Rule 724.C Ma Accident / Conviction Surcharge Ma	1 ach additional linor Convictions 2 3 4 ach additional CY SECTION FOR INFORM Rule 726: U.S. Exposure 3. U.S. Exposure Surcharge 3. Currency Differential Surcharge 3. Currency Differential Surcharge	15% 5% 15% 25% 15% IATION ONLY rge harge Table	1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional Rule 726: Outside Province A. U.S. Exposure Surcharge B. Currency Differential Surch	25% 5% 15% 25% 15% 100% 100% 100% e Exposure	voluntary markets now charge 100% for a criminal code/serious conviction.	premiums This will not impact premiums
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Surcharges Mi BRIVER'S POLICY Table of A. Contents A. Rule 724.C C. Accident / ma Conviction Surcharge	2 3 4 Cach additional CY SECTION FOR INFORM Rule 726: U.S. Exposure 3. U.S. Exposure Surcharge 3. Currency Differential Surchar 5. Accident/Conviction Surch	15% 25% 15% IATION ONLY rge harge Table	2 3 4 Each additional Serious Convictions 1 Each additional Rule 726: Outside Province A. U.S. Exposure Surcharge B. Currency Differential Surch	15% 25% 15% 100% 100% e Exposure	charge 100% for a criminal code/serious conviction.	not impact premiums
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DRIVER'S POLICY Table of Ru Contents A. B. B. Rule 724.C C. Accident / ma Conviction Surcharge	CY SECTION FOR INFORM Rule 726: U.S. Exposure U.S. Exposure Surcharge S. Currency Differential Surchar C. Accident/Conviction Surcl	15% IATION ONLY rge harge Table	Serious Convictions 1 Each additional Rule 726: Outside Province A. U.S. Exposure Surcharge B. Currency Differential Surch	15% 100% 100% e Exposure harge	conviction.	not impact premiums
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Table of ContentsRu A. B.Rule 724.CC. MaAccident / Conviction Surchargema	Rule 726: U.S. Exposure A. U.S. Exposure Surcharge B. Currency Differential Surchar C. Accident/Conviction Surcl	rge harge Table	Each additional Rule 726: Outside Province A. U.S. Exposure Surcharge B. Currency Differential Surch	100% e Exposure harge	change update	not impact premiums
Table of ContentsRu A. B.Rule 724.CC. MaAccident / Conviction Surchargema	Rule 726: U.S. Exposure A. U.S. Exposure Surcharge B. Currency Differential Surchar C. Accident/Conviction Surcl	rge harge Table	Rule 726: Outside Province A. U.S. Exposure Surcharge B. Currency Differential Surch	e Exposure harge	change update	not impact premiums
Table of ContentsRu A. B.Rule 724.CC. MaAccident / Conviction Surchargema	Rule 726: U.S. Exposure A. U.S. Exposure Surcharge B. Currency Differential Surchar C. Accident/Conviction Surcl	rge harge Table	A. U.S. Exposure Surcharge B. Currency Differential Surch	harge	change update	not impact premiums
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Rule 724.C C. Ma Accident / ma Conviction Surcharge	. Accident/Conviction Surcl	harge Table		5		
Accident / ma Conviction Surcharge			C. Accident/Conviction Su	rcharge Table	T -	
Accident / ma Conviction Surcharge	laxiumum surcharge to be app				То	This may
	najor and minor convictions is		Maximum surcharge to be major and minor convictions	applied for accidents, serious, is 250%	harmonize with all other jurisdictions,	impact premiums
	vents in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	junisaletions,	
Cł	hargeable Accidents:		Chargeable Accidents:			
	2	0%	2	20%		
	3	30%	3	30%		
Ea	ach additional	10%	Each additional	15%		
M	Najor Convictions		Major Convictions			
	1	25%	1	25%		
Ea	ach additional	25%	Each additional	25%		
M	linor Convictions		Minor Convictions			
	2	5%	2	5%		
	3	15%	3	15%		
	4	25%	4	25%		
Ea	ach additional	15%	Each additional	15%		

Rule	Current Wording		Approved Wording		Change from Current	Premium impact on existing policies
Rule 724.C Accident / Conviction Surcharge Table	Serious Convictions 1 Each additional	50% 100%	Serious Convictions 1 Each additional	100% 100%	In Nfld., some voluntary markets now charge 100% for a criminal code/serious conviction.	This may impact premiums
Rule 726: U.S. Exposure	 U.S. Exposure A. U.S. Exposure Surcharge Any driver operating a non-owned vehicle is operated in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required. The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used. If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), Accident Benefits, Uninsured Automobile and END 44.		Outside Province Exposure A. Outside Province Exposure Surcharge Any driver operating a non-owned vehicle is operated in another Canadian jurisdiction or the U.S. is subject to the U.S. exposure 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 non-owned vehicle is used for personal use only and proof of insurance is not required. The Insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used outside Province/Territory including U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 728. NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), Accident Benefits, Uninsured Automobile and END 44. NOTE: Where vehicles are operated in the U.S.,	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This will impact premiums	
	NOTE: Where vehicles are of Agents/Brokers must ask in insurance must be filed and	sureds whether or not proof of	Agents/Brokers must ask	e operated in the U.S. , insureds whether or not proof of nd, if so, in what amount.		

Rule	ule Current Wording		Approved Wording		Change from Current	Premium impact on existing policies
Rule 726: U.S. Exposure	Liability, Accident Benefits, Uninsured Automobile, END 44 For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.		44 If this exposure is 5.0% applicable Canadian juris	efits, Uninsured Automobile, END or less of total mileage in the U.S. or diction, a 5% surcharge will apply to is Uninsured Automobile and END	Currency differential surcharge will be discontinued as FA is	This will impact premiums
			Liability, Accident Benefits, Uninsured Automobile and END 44. For each percentage point of If this exposure is over 5.0% of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.		working towards modernizing and simply its rating	
	For example: U.S. Exposure 5% or less and proof of insurance required 10% 25%	Applicable Surcharge 5% 10% 25%	For example: Outside Province Exposure Up to 5% or less and proof of insurance required	Applicable Surcharge 5%		
	50%	50%	10% 25% 50%	10% 25% 50%		
	Physical Damage (END 60 – Legal Liability for Damage to Non-Owned Automobile) For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge .50% of the applicable premium.		Damage to Non-Owned For each percentage poir other applicable Canadian applicable premium.	age (END 60 – Legal Liability for d Automobile) at of total mileage in the U.S. or n jurisdiction, surcharge .50% of the		
	For example: U.S. Exposure 6% 10% 25% 50%	Applicable Surcharge3%5%12.5%25%	For example: Outside Province Exposure 6% 10% 25% 50%	Applicable Surcharge 3% 5% 12.5% 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.		currency differential sure	ance is required by U.S. authorities, a harge is added to the Liability he potential additional loss arising		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726: U.S. 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 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: 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) 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 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. 	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge <i>For example:</i> The rate of exchange for the U.S. dollar is 1.3005 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. <i>Example:</i> The Currency Differential Surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. <i>Example:</i> The Liability premium is \$1,000 U.S. Exposure Surcharge is 7.75% Base Premium \$1,000 X .25 = \$250 Currency Differential \$1,000 X .75 = 77.50 \$78 Total Liability premiu	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	policies This will impact premiums

Rule	Current Wording	Approved Wording	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	Premium impact on existing policies This will impact premiums
Rule 726: U.S. 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.		
Rule 728: Vehicles Used Outside Jurisdiction of Registration	 <i>For example</i>: The Insured resides in Newfoundland and will be travelling in Alberta for the next year. 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. 2. If the non-owned vehicle is operated outside Newfoundland and it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. <i>For example</i>: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3. Surcharges do not apply to non-owned private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. If the US. 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, Accident Benefits, Uninsured Automobile and END 	 For example: The Insured resides in Newfoundland and will be travelling in Alberta for the next year. 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: 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	FA aims to harmonize and simplify the wordings across all jurisdictions	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 728: Vehicles Used Outside Jurisdiction of Registration	 5. 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. 6. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4. 	 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 used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. 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. Region 1 — Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 — Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 — West and North Rate as Alberta Territory 4. 	FA aims to harmonize and simplify the wordings across all jurisdictions	This will not impact premiums