

September 2023

**Manual of Rules and Rates
Ontario**

**Adding New OPCF 49 Endorsement
Effective January 1, 2024 (New Business and Renewals)**

Effective January 1, 2024 Facility Association is implementing the following update for new business and renewals in Ontario:

- Based on Auto release update from FSRA dated December 12, 2022, Facility Association is adding wording for the NEW OPCF 49 endorsement to various sections of the manual. A summary of the rule change is attached to the Manual Bulletin on the Facility Association website.

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

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

**FACILITY ASSOCIATION ONTARIO RULE AND RATES MANUAL
SUMMARY OF APPROVED RULE CHANGES EFFECTIVE JANUARY 1, 2024**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PASSENGER SECTION				
Rule 152 Endorsements Applicable to POL 1 (Owner's Policy)	NEW	<p>Standard Endorsement Form Number, Title and Purpose</p> <p>49 Agreement Not to Recover For Loss or Damage from an Automobile Collision (for Ontario Automobile Policy OAP 1)</p> <p>With this endorsement, the Insured agrees they cannot claim Direct Compensation Property Damage and Collision or Upset Coverage:</p> <p>If the described vehicle is damaged in a collision the loss will not be compensated even if the Insured is not at fault. The Insured will not be compensated by the insurance policy, or by anyone else, including at fault for causing the damage, or their insurance company.</p> <p>Note: If the vehicle is leased or financed, this endorsement will not be added without written consent of the lease or finance company.</p>	<p>Rating</p> <p>No premium will be charged under Direct Compensation Property Damage and Collision (as coverage will not apply)</p>	<p>Based on Auto Update December 12, 2022. Gives consumer the choice to opt out of DCPD. The requirements are listed in Ontario Regulation 664 Automobile Insurance</p> <p>This may impact premiums</p>
COMMERCIAL SECTION				
Rule 243 Endorsements Applicable to POL 1 (Owner's Policy)	NEW	<p>Standard Endorsement Form Number, Title and Purpose</p> <p>49 Agreement Not to Recover For Loss or Damage from an Automobile Collision (for Ontario Automobile Policy OAP 1)</p> <p>With this endorsement, the Insured agrees they cannot claim Direct Compensation Property Damage and Collision or Upset Coverage:</p> <p>If the described vehicle is damaged in a collision the loss will not be compensated even if the Insured is not at fault. The Insured will not be compensated by the insurance policy, or by anyone else, including at fault for causing the damage, or their insurance company.</p> <p>Note: If the vehicle is leased or financed, this endorsement will not be added without written consent of the lease or finance company.</p>	<p>Rating</p> <p>No premium will be charged under Direct Compensation Property Damage and Collision (as coverage will not apply)</p>	<p>Based on Auto Update December 12, 2022. Gives consumer the choice to opt out of DCPD. The requirements are listed in Ontario Regulation 664 Automobile Insurance</p> <p>This may impact premiums</p>

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SUMMARY OF APPROVED RULE CHANGES EFFECTIVE JANUARY 1, 2024**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies	
PUBLIC SECTION					
Rule 338 Endorsements Applicable to POL 1 (Owner's Policy)	NEW	<p>Standard Endorsement Form Number, Title and Purpose</p> <p>49 Agreement Not to Recover For Loss or Damage from an Automobile Collision (for Ontario Automobile Policy OAP 1)</p> <p>With this endorsement, the Insured agrees they cannot claim Direct Compensation Property Damage and Collision or Upset Coverage:</p> <p>If the described vehicle is damaged in a collision the loss will not be compensated even if the Insured is not at fault. The Insured will not be compensated by the insurance policy, or by anyone else, including at fault for causing the damage, or their insurance company.</p> <p>Note: If the vehicle is leased or financed, this endorsement will not be added without written consent of the lease or finance company.</p>	<p>Rating</p> <p>No premium will be charged under Direct Compensation Property Damage and Collision (as coverage will not apply)</p>	<p>Based on Auto Update December 12, 2022. Gives consumer the choice to opt out of DCPD. The requirements are listed in Ontario Regulation 664 Automobile Insurance</p>	<p>This may impact premiums</p>
RECREATIONAL SECTION					
Rule 442 Endorsements Applicable to POL 1 (Owner's Policy)	NEW	<p>Standard Endorsement Form Number, Title and Purpose</p> <p>49 Agreement Not to Recover For Loss or Damage from an Automobile Collision (for Ontario Automobile Policy OAP 1)</p> <p>With this endorsement, the Insured agrees they cannot claim Direct Compensation Property Damage and Collision or Upset Coverage:</p> <p>If the described vehicle is damaged in a collision the loss will not be compensated even if the Insured is not at fault. The Insured will not be compensated by the insurance policy, or by anyone else, including at fault for causing the damage, or their insurance company.</p> <p>Note: If the vehicle is leased or financed, this endorsement will not be added without written consent of the lease or finance company.</p>	<p>Rating</p> <p>No premium will be charged under Direct Compensation Property Damage and Collision (as coverage will not apply)</p>	<p>Based on Auto Update December 12, 2022. Gives consumer the choice to opt out of DCPD. The requirements are listed in Ontario Regulation 664 Automobile Insurance</p>	<p>This may impact premiums</p>

July 2023

**Manual of Rules and Rates
Ontario**

**Various Rule Changes including revised U.S Exposure Surcharge
Effective November 1, 2023 (New Business and Renewals)**

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

- There are various rule changes in sections of the manual including revised U.S. Exposure Surcharge. A summary of the rule changes are attached to the Manual Bulletin on the Facility Association website.

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

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

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PASSENGER SECTION				
Rule 103.A.3 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	<p>3) The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>3) The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	To bring FA inline with industry practice	This will not impact premiums
Rule 127.E.c Policy Changes Deletions of Vehicles and Coverages	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	To bring FA inline with industry practice	This will not impact premiums
Rule 127.H Midterm Policy Change Premium Calculation	<p>G. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution</p>	To bring FA inline with industry practice	This will not impact premiums

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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies						
	<p>driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	<p>of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	To bring FA inline with industry practice	This will not impact premiums						
<p>Rule 152</p> <p>13C</p> <p>Endorsements Applicable to POL 1 (Owner's Policy)</p>	<table border="1"> <tr> <td data-bbox="317 821 394 1440">13C</td> <td data-bbox="394 821 583 1440">Restricting Glass Coverage This endorsement amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.</td> <td data-bbox="583 821 947 1440">Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.</td> </tr> </table>	13C	Restricting Glass Coverage This endorsement amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	<table border="1"> <tr> <td data-bbox="976 821 1054 1440">13C</td> <td data-bbox="1054 821 1243 1440">Restricting Glass Coverage This endorsement Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.</td> <td data-bbox="1243 821 1621 1440">Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.</td> </tr> </table>	13C	Restricting Glass Coverage This endorsement Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions	This will not impact premiums
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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
COMMERCIAL SECTION				
<p>Rule 203 A.3</p> <p>Binding Coverage – New Policies A.</p> <p>Requirements/ Procedures for binding new policies</p>	<p>3) The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>3) The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>
<p>Rule 217 E. a&c</p> <p>Policy Changes</p> <p>Deletions of Vehicles and Coverages</p>	<p>Deletions of Vehicles and Coverages</p> <p>a) If the request for deletion is received by the Agent/Broker Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the date the deletion is to be effected, the deletion shall take effect at 12:01 a.m. on the date that it was requested to be effective. In the event that the deletion was specifically requested to be effective at a time other than 12:01 a.m., the deletion shall be effected at 12:01 a.m. the following day.</p> <p><i>For example:</i> The Insured requests deletion of the vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on September 20. The Servicing Carrier will issue the policy change effective 12:01 a.m. September 5. If the Insured requested the deletion to be effective at 3:40 p.m. on September 5, the Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. on September 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>a) If the request for deletion is received by the Agent/Broker Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the date the deletion is to be effected, the deletion shall take effect at 12:01 a.m. on the date that it was requested to be effective. In the event that the deletion was specifically requested to be effective at a time other than 12:01 a.m., the deletion shall be effected at 12:01 a.m. the following day.</p> <p><i>For example:</i> The Insured requests deletion of the vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on September 20. The Servicing Carrier will issue the policy change effective 12:01 a.m. September 5. If the Insured requested the deletion to be effective at 3:40 p.m. on September 5, the Servicing Carrier will delete</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>

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<p>Rule 217.G</p> <p>Midterm Policy Change Premium Calculation</p>	<p>G. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	To bring FA inline with industry practice	This will not impact premiums

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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies																																																																																	
<p>228. C: Outside Province Exposure.</p> <p>C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)</p>	<p>Step 2: Determine U.S. Exposure</p> <p>Based on the total reported mileage (Canada and the U.S.), surcharge 1% per percentage (%) of exposure <u>into the U.S.</u></p> <p><i>For example:</i></p> <table border="1" data-bbox="331 488 879 651"> <thead> <tr> <th>U.S. Exposure</th> <th>Applicable U.S. Surcharge</th> </tr> </thead> <tbody> <tr> <td>5%</td> <td>5%</td> </tr> <tr> <td>10%</td> <td>10%</td> </tr> <tr> <td>25%</td> <td>25%</td> </tr> <tr> <td>50%</td> <td>50%</td> </tr> </tbody> </table>	U.S. Exposure	Applicable U.S. Surcharge	5%	5%	10%	10%	25%	25%	50%	50%	<p>Step 2: Determine U.S. Exposure</p> <p>The U.S. Exposure is determined by how often the vehicle travels <u>into the U.S.</u></p> <p>The U.S. surcharge is based on the States in which a vehicle travels. See Chart below:</p> <table border="1" data-bbox="972 513 1598 1122"> <thead> <tr> <th>Region 1</th> <th>Region 2</th> <th>Region 3</th> </tr> </thead> <tbody> <tr> <td>Alaska</td> <td>Arizona</td> <td>Alabama</td> </tr> <tr> <td>Colorado</td> <td>Arkansas</td> <td>Connecticut</td> </tr> <tr> <td>Idaho</td> <td>California</td> <td>Delaware</td> </tr> <tr> <td>Iowa</td> <td>Georgia</td> <td>Florida</td> </tr> <tr> <td>Kansas</td> <td>Illinois</td> <td>Hawaii</td> </tr> <tr> <td>Nebraska</td> <td>Indiana</td> <td>Louisiana</td> </tr> <tr> <td>Nevada</td> <td>Kentucky</td> <td>Maine</td> </tr> <tr> <td>North Dakota</td> <td>Michigan</td> <td>Maryland</td> </tr> <tr> <td>Oregon</td> <td>Minnesota</td> <td>Massachusetts</td> </tr> <tr> <td>Utah</td> <td>Missouri</td> <td>Mississippi</td> </tr> <tr> <td>Wisconsin</td> <td>Montana</td> <td>New Hampshire</td> </tr> <tr> <td>Wyoming</td> <td>New Mexico</td> <td>New Jersey</td> </tr> <tr> <td></td> <td>North Carolina</td> <td>New York</td> </tr> <tr> <td></td> <td>Ohio</td> <td>Rhode Island</td> </tr> <tr> <td></td> <td>Oklahoma</td> <td>South Carolina</td> </tr> <tr> <td></td> <td>Pennsylvania</td> <td>Texas</td> </tr> <tr> <td></td> <td>South Dakota</td> <td>Vermont</td> </tr> <tr> <td></td> <td>Tennessee</td> <td>West Virginia</td> </tr> <tr> <td></td> <td>Virginia</td> <td></td> </tr> <tr> <td></td> <td>Washington</td> <td></td> </tr> </tbody> </table> <p>The rate of the U.S. Exposure surcharge (per percentage of U.S. Exposure) is based on the Region where the majority of exposure exists:</p> <table border="1" data-bbox="972 1230 1556 1458"> <thead> <tr> <th>Region</th> <th>Applicable Surcharge per % of Exposure</th> </tr> </thead> <tbody> <tr> <td>Region 1</td> <td>1%</td> </tr> <tr> <td>Region 2</td> <td>1.25%</td> </tr> <tr> <td>Region 3</td> <td>1.5%</td> </tr> </tbody> </table>	Region 1	Region 2	Region 3	Alaska	Arizona	Alabama	Colorado	Arkansas	Connecticut	Idaho	California	Delaware	Iowa	Georgia	Florida	Kansas	Illinois	Hawaii	Nebraska	Indiana	Louisiana	Nevada	Kentucky	Maine	North Dakota	Michigan	Maryland	Oregon	Minnesota	Massachusetts	Utah	Missouri	Mississippi	Wisconsin	Montana	New Hampshire	Wyoming	New Mexico	New Jersey		North Carolina	New York		Ohio	Rhode Island		Oklahoma	South Carolina		Pennsylvania	Texas		South Dakota	Vermont		Tennessee	West Virginia		Virginia			Washington		Region	Applicable Surcharge per % of Exposure	Region 1	1%	Region 2	1.25%	Region 3	1.5%	<p>US surcharge will now be based on the State and Region where the majority of exposure exists</p>	<p>This may impact premiums</p>
U.S. Exposure	Applicable U.S. Surcharge																																																																																				
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	Pennsylvania	Texas																																																																																			
	South Dakota	Vermont																																																																																			
	Tennessee	West Virginia																																																																																			
	Virginia																																																																																				
	Washington																																																																																				
Region	Applicable Surcharge per % of Exposure																																																																																				
Region 1	1%																																																																																				
Region 2	1.25%																																																																																				
Region 3	1.5%																																																																																				

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<p>Step 3: Determine the Total Outside Province Exposure Surcharge (or discount) applicable to the Interurban Vehicle</p> <p>The total surcharge (or discount) applicable is determined by totaling the surcharge amounts calculated under Step 1 and Step 2.</p> <p>The total surcharge (or discount) is applicable to Liability (BI and PD) and DCPD premiums.</p> <p>Example: Step 1: Canadian Out of Province Discount = -70% Step 2: U.S. Exposure Surcharge = <u>10%</u> Total Out of Province Exposure Adjustment -60%</p> <p>In the above example, a 60% discount would apply to Liability (BI and PD) and DCPD Premiums.</p>	<p><i>Example:</i> A vehicle travels 10% in Region 1, 40% in Region 2 and 50% in Region 3, then the rate U.S. surcharge would be 1.5% per % of U.S Exposure.</p> <p>In the event of a tie or where no clear majority exists in any Region, select the Region that generates the highest surcharge (per percentage of U.S. Exposure), as outlined in the chart above.</p> <p><i>Example:</i> A vehicle travels 20% in Region 1; 40% in both Region 2 and Region 3. A surcharge rate of Region 3 (1.5% per % of U.S. Exposure) would apply.</p> <p>To determine the U.S. Exposure surcharge, multiply the rate of surcharge by the percentage of U.S. Exposure, as outlined in the chart above.</p> <p><i>Example:</i> A vehicle traveling 40% into the U.S. using Region 3 would have a 60% surcharge.</p> <p>Step 3: Determine the Total Outside Province Exposure Surcharge applicable to the Interurban Vehicle</p> <p>The total surcharge applicable is determined by totaling the amounts calculated under Step 1 and Step 2.</p> <p>The total surcharge is applicable to Liability (BI and PD) and DCPD premiums</p> <p><i>Example:</i> Step 1: Canadian Out of Province Discount = -70% Step 2: U.S. Exposure Surcharge Region 3 = <u>60%</u> Total Out of Province Exposure Adjustment - 10% If applicable, round up to the nearest whole %.</p> <p>In the above example, a 10% discount would apply to the Liability (BI and PD) and DCPD Premiums.</p>	<p>US surcharge will now be based on the State and Region where the majority of exposure exists</p>	<p>This may impact premiums</p>

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 243 13C Endorsements Applicable to POL 1 (Owner's Policy)	13C Restricting Glass Coverage This endorsement amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	13C Restricting Glass Coverage This endorsement Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions	This will not impact premiums
PUBLIC SECTION				
Rule 303 A.2 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	2) The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.	2) The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.	To bring FA inline with industry practice	This will not impact premiums

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>		
<p>Rule 315.E.c</p> <p>Policy Changes</p> <p>Deletions of Vehicles and Coverages</p>	<p>Deletions of Vehicles and Coverages</p> <p>d) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>
<p>Rule 315.G</p> <p>Midterm Policy Change Premium Calculation</p>	<p>G. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>

FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies												
RECREATIONAL SECTION																
Rule 403 A.3 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	3) The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.	3) The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.	To bring FA inline with industry practice	This will not impact premiums												
Rule 409.B Motorcycles & Mopeds Driving Record	1. Driving Record Entitlement The full number of years immediately preceding the commencement date of the period of insurance for which: a) the principal driver has continuously held a valid operator's licence; and b) there has been no chargeable accidents	1. Driving Record Entitlement The full number of years immediately preceding the commencement date of the period of insurance for which: a) the principal driver has continuously held a valid operator's licence; and b) there has been no chargeable accidents <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Total Years Licensed M1 (max 1) M2 (max 2)</th> <th style="text-align: center;">M1</th> <th style="text-align: center;">M2</th> <th style="text-align: center;">M</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">1 year</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Total Years Licensed M1 (max 1) M2 (max 2)	M1	M2	M	Less than 1	0	0	0	1 year	0	1	1	Aligns the rule in the manual where accident or conviction surcharge (15% or more DR 3 shall be allowed Outlines where driving record applies to which coverage	This will not impact premiums
Total Years Licensed M1 (max 1) M2 (max 2)	M1	M2	M													
Less than 1	0	0	0													
1 year	0	1	1													

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SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

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	<p>2. Calculating Driving Record with a Licence Suspension/ Cancellation/Lapse Suspension of Operator’s Licence can be one of two types:</p> <p>A. Suspension for cause: A driver’s licence suspension or cancellation for more than two weeks resulting from a conviction or an accumulation of demerit points.</p> <p>B. Administrative Suspension/Cancellation/Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A.</p> <p>A. With suspensions for cause</p> <ul style="list-style-type: none"> For the total of all suspensions within the last 5 years, deduct 1 year for each year (or partial year) of 	<table border="1" data-bbox="976 316 1543 503"> <tr> <td>2 years</td> <td>0</td> <td>2</td> <td>2</td> </tr> <tr> <td>3 years</td> <td>0</td> <td>2</td> <td>3*</td> </tr> <tr> <td>4 years</td> <td>0</td> <td>2</td> <td>4*</td> </tr> <tr> <td>5 years</td> <td>0</td> <td>2</td> <td>5*</td> </tr> </table> <p>* Must have 1 or more years licensed at M level.</p> <p>Once a level 2 licence (M2) has been obtained, the period during which a level one licence was held shall be considered up to a maximum period of one year. In addition, the period of time during which a level two licence (M2) was held shall be considered up to a maximum of one year. The driver holding a level two licence (M2) does not become eligible for a driving record higher than 2 until graduation to a fully licensed (M) driver.</p> <p>Where an accident or conviction surcharge (15% or more) is applied to a vehicle premium, a maximum of Driving Record 3 shall be allowed.</p> <p>The driving record established applies to all coverage. A chargeable accident will affect the rating of Liability, DCPD and Collision coverages.</p> <p>2. Calculating Driving Record with a Licence Suspension/Cancellation/Lapse Suspension of Operator’s Licence can be one of two types:</p> <p>A. Suspension for cause: A driver’s licence suspension or cancellation for more than two weeks resulting from a conviction or an accumulation of demerit points.</p> <p>B. Administrative Suspension/Cancellation/Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A</p> <p>A. With suspensions for cause</p> <ul style="list-style-type: none"> For the total of all suspensions within the last 5 years, deduct 1 year for each year (or partial year) of suspension from the driving record (maximum Driving Record 3). 	2 years	0	2	2	3 years	0	2	3*	4 years	0	2	4*	5 years	0	2	5*	<p>Aligns the rule in the manual where accident or conviction surcharge (15% or more DR 3 shall be allowed Outlines where driving record applies to which coverage</p>	<p>This may impact premiums</p>
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FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<p>suspension from the driving record (maximum Driving Record 3).</p> <p>Examples:</p> <ol style="list-style-type: none"> 1. Risk is eligible for driving record 4. One operator has a 6 month suspension for demerit points. Risk qualifies for driving record 3. 2. Risk is eligible for driving record 4. One operator has 18 month suspension for convictions. Risk qualifies for Driving Record 2. <p>B. With administrative suspensions /cancellation /lapse:</p> <ul style="list-style-type: none"> • If the total time the driver's licence has been suspended/cancelled/lapsed is less than 1 year in the past 5 years, the driving record will not be affected. • If the total time the driver's licence has been suspended/cancelled/lapsed is 1 year or more in the past 5 years, the driving record will be reduced by 1 for every year (or partial year) suspended/cancelled/lapsed. <p>Examples:</p> <ol style="list-style-type: none"> 1. Risk is eligible for Driving Record 4. One operator has a 10 month suspension for unpaid fines. Risk still qualifies for Driving Record 4. 2. Risk is eligible for Driving Record 4. One operator has 24 month suspension for unpaid fines. Risk now qualifies for Driving Record 2. <p>If the driver's licence of the person reported as the principal operator is currently suspended/cancelled/lapsed see Rule 431: Suspension of Operator's Licence.</p> <p>Once a level 2 licence (M2) has been obtained, the period during which a level one licence was held shall be considered up to a maximum period of one year.</p> <p>In addition, the period of time during which a level two licence (M2) was held shall be considered up to a maximum of one year. The driver holding a level two licence (M2) does not become eligible for a driving record higher than 2 until graduation to a fully licensed (M) driver.</p>	<p><i>Examples 1</i> Risk is eligible for driving record 4. One operator has a 6 month suspension for demerit points. Risk qualifies for driving record 3.</p> <p><i>Example 2</i> Risk is eligible for driving record 4. One operator has 18 month suspension for convictions. Risk qualifies for Driving Record 2.</p> <p>B. Administrative Suspension/ Cancellation/ Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A.</p> <p>B. With administrative suspensions /cancellation /lapse:</p> <ul style="list-style-type: none"> • If the total time the driver's licence has been suspended/cancelled/lapsed is less than 1 year in the past 5 years, the driving record will not be affected. • If the total time the driver's licence has been suspended/cancelled/lapsed is 1 year or more in the past 5 years, the driving record will be reduced by 1 for every year (or partial year) suspended/cancelled/lapsed. <p><i>Examples 1</i> Risk is eligible for Driving Record 4. One operator has 10 month suspension for unpaid fines. Now qualifies for Driving Record 4.</p> <p><i>Example 2</i> Risk is eligible for Driving Record 4. One operator has 24 month suspension for unpaid fines. Now qualifies for Driving Record 2.</p> <p>If the driver's licence of the person reported as the principal operator is currently suspended/cancelled/lapsed see Rule 431: Suspension of Operator's Licence.</p> <p>Once a level 2 licence (M2) has been obtained, the period during which a level one licence was held shall be considered up to a maximum period of one year.</p> <p>In addition, the period of time during which a level two licence (M2) was held shall be considered up to a maximum</p>	<p>FA aims to harmonize rule across all jurisdictions</p>	<p>This will not impact premiums</p>

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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<p>4. New Drivers Where the owner who is the sole operator holds only a level one licence (M1), the risk shall qualify for only Driving Record 0 until a level two licence (M2) is obtained. When a M2 licence is obtained the driver may qualify for Driving Record 1.</p> <p>5. Driver Training - Driver training credit no longer available</p>	<p>5. New Drivers Where the owner who is the sole operator holds only a level one licence (M1), the risk shall qualify for only Driving Record 0 until a level two licence (M2) is obtained. When a M2 licence is obtained the driver may qualify for Driving Record 1.</p> <p>6. Driver Training - Driver training credit no longer available</p>	FA aims to harmonize rule across all jurisdictions	This will not impact premiums
<p>Rule 409.C.4</p> <p>Motorcycles & Mopeds</p> <p>C. Rating Notes – Physical Damage</p>	<p>4. Motorcycles 750 cc and over</p> <p>Comprehensive or Specified Perils coverage may not be provided unless:</p> <p>a) Where the vehicle is newly acquired from a dealer a copy of the purchase agreement (dated within the 15 days prior to the effective date of the insurance) must be attached to the application or the change request. The purchase agreement must confirm the vehicle's year, make, model, serial number and purchase price.</p> <p>b) The Agent/Broker or an independent appraiser acceptable to the Servicing Carrier has completed the Motorcycle Inspection Report verifying that he/she has seen the vehicle and has verified its licence number, year, make, model and serial number with the information shown on the vehicle registration and on the application. This report must be obtained at the Applicant's expense and must be attached to the application or change request.</p> <p>If coverage is deleted from the vehicle and added again at a later date, a new inspection must accompany the request for the addition of coverage.</p>	<p>4. Motorcycles 750 cc and over</p> <p>At the Servicing Carrier discretion, the following may be required to apply Comprehensive/Specified Perils coverage may not be provided unless:</p> <p>a) Bill of Sale: Where the vehicle is newly acquired from a dealer, a copy of the purchase agreement (dated within the 15 days prior to the effective date of the insurance) must be attached to the application or the change request. The purchase agreement must confirm the vehicle's year, make, model, serial number and purchase price.</p> <p>OR</p> <p>b) Independent Appraisal: The Agent/Broker or an independent appraiser acceptable to the Servicing Carrier has completed the Motorcycle Inspection. The report at minimum should verifying that he/she has seen the vehicle, and has verified its licence number, year, make, model and serial number with the information shown on the vehicle registration and on the application. This report must be obtained at the Applicant's expense and must be attached to the application or change request. If coverage is deleted from the vehicle and added again at a later date, a new inspection must accompany the request for the addition of coverage.</p> <p>OR</p> <p>c) Motorcycle Inspection: The Agent/Broker completes the Motorcycle Inspection Report verifying that they have seen the vehicle and has verified its licence number, year, make, model and serial number with the information shown on the vehicle registration and on the application.</p>	<p>This is not industry practice and does not been found to be of any usefulness to the underwriting process</p> <p>Changes the requirement for a motorcycle inspection to the discretion of the Servicing Carrier</p>	This will not impact premiums

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
<p>Rule 416.E.c</p> <p>Policy Changes</p> <p>Deletions of Vehicles and Coverages</p>	<p>Deletions of Vehicles and Coverages</p> <p>e) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>
<p>Rule 416 G</p> <p>Midterm Policy Change Premium Calculation</p>	<p>G. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Agent/Broker (or Servicing Carrier if received directly from the Insured) within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01a.m. following the date the Agent/Broker (or Servicing Carrier if received directly from the Insured) receives the request and back dating will not be permissible.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording		Approved Wording		Change from Current	Premium impact on existing policies
Rule 442 13C Endorsements Applicable to POL 1 (Owner's Policy)	13C Restricting Glass Coverage This endorsement amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	13C Restricting Glass Coverage This endorsement Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions	This will not impact premiums
GARAGE SECTION						
Rule 602.B.a Completing the Application	B. Completing the Application When underwriting a garage policy, the following is required: a) A fully completed and signed current approved Standard Garage Application Form showing the date and time coverage was bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form; therefore, coverage may not be bound as of 12:01 a.m. on the date the application is signed. If there is any other insurance in force in respect of the risk, binding shall not be made effective before the expiry of that other insurance.		B. Completing the Application When underwriting a garage policy, the following is required: a) A fully completed and signed current approved Standard Garage Application Form showing the date and time coverage was bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form; therefore, coverage may not be bound as of 12:01 a.m. on the date the application is signed. If there is any other insurance in force in respect of the risk, binding shall not be made effective before the expiry of that other insurance.		To bring FA inline with industry practices	This will not impact premiums

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
<p>Rule 602.D</p> <p>Application D. Item 3 of the Application</p>	<p>D. Item 3 of the Application</p> <p>Specify the principal business e.g. Automobile Dealer. Should the risk have other business in respect of which automobile insurance is to be provided, then it must be listed. Any business/operation not listed is not covered.</p>	<p>D. Item 3 of the Application</p> <p>Specify the principal business e.g. Automobile Dealer, as well as all dealer/Service Plate Numbers. Should the risk have other business in respect of which automobile insurance is to be provided, then it must be listed. Any business /operation/plate number not listed is not covered.</p>	<p>The Plate Number will not be added on Item 3, which will eliminate the need for Plate Searches</p>	<p>This will not impact premiums</p>
<p>Rule 611.A</p> <p>Renewal Processing</p>	<p>A. Renewal processing If the renewal involves a vehicle for which proof of insurance has been filed or is required, refer to Rule 608: Proof of Insurance.</p> <p>Prior to the expiry date of the policy, the Servicing Carrier shall ask the Agent/Broker to have a new Garage Rating / Underwriting Supplement completed and signed to update the information on record for the upcoming renewal term. Such a request shall be made well in advance of the expiry date because of the need to issue the renewal policy before the insurance expires.</p>	<p>A. Renewal processing If the renewal involves a vehicle for which proof of insurance has been filed or is required, refer to Rule 608: Proof of Insurance.</p> <p>Every 2nd renewal, prior to the expiry date of the policy, the Servicing Carrier shall ask the Agent/Broker to have a new Garage Rating / Underwriting Supplement completed and signed to update the information on record for the upcoming renewal term. Such a request shall be made well in advance of the expiry date because of the need to issue the renewal policy before the insurance expires. The onus remains on the Broker to communicate any changes to the policy in between Garage Supplement requests.</p>	<p>This is to reduce the number of times the Servicing Carrier needs to request a Garage Supplement</p>	<p>This will not impact premiums</p>
<p>Rule 614</p> <p>Inspection Reports</p>	<p>C. Vehicle Plate RIN Search Report</p> <p>This report must be ordered by the Servicing Carrier on every new garage risk and at each renewal. The report provides a list of all vehicle plates belonging to the individual or business. In addition, the list may include vehicles leased by the Insured to other and vehicles leased to the Insured. Where the report indicates that plates are lost, stolen or returned or the Insured can provide proof of such a situation, no charge will be made for those plates. The circumstances must be clearly documented in the Servicing Carrier's file.</p> <p>D. Inspection Reports</p> <p>In addition to the Vehicle Plate RIN Search Report an inspection report may also be ordered to properly assess the risk.</p> <p>An underwriting report (Sentinel, Equifax, IAO etc.) where available, may be ordered by the Servicing Carrier on every new garage risk. If the information in the</p>	<p>C. Vehicle Plate RIN Search Report</p> <p>This report must be ordered by the Servicing Carrier on every new garage risk and at each renewal. The report provides a list of all vehicle plates belonging to the individual or business. In addition, the list may include vehicles leased by the Insured to other and vehicles leased to the Insured. Where the report indicates that plates are lost, stolen or returned or the Insured can provide proof of such a situation, no charge will be made for those plates. The circumstances must be clearly documented in the Servicing Carrier's file.</p> <p>D. C. Inspection Reports</p> <p>In addition to the Vehicle Plate RIN Search Report an inspection report may also be ordered to properly assess the risk.</p> <p>An underwriting report (Sentinel, Equifax, IAO etc.) where available, may be ordered by at the Servicing Carriers discretion on every new garage risks. If the information in</p>	<p>Rule deleted as Plate will now be shown on the Application and if not shown will not be covered</p>	<p>This will not impact premiums</p>

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<p>underwriting report is not consistent with the information in the Garage Rating/ Underwriting Supplement or the garage application, the Agent/Broker, Insured and underwriting report company must be queried to resolve the inconsistency. In the event that the inconsistency cannot be resolved the matter must be referred to Facility Association Central Office.</p> <p>If the information received is different from that reported on the application, to the extent that the premium requires amendment, the policy shall be issued at the revised premium and coverage or the Servicing Carrier shall promptly issue a correcting policy change.</p>	<p>the underwriting report is not consistent with the information in the Garage Rating/ Underwriting Supplement or the garage application, the Agent/Broker, Insured and underwriting report company must be queried to resolve the inconsistency. In the event that the inconsistency cannot be resolved the matter must be referred to Facility Association Central Office.</p> <p>If the information received is different from that reported on the application, to the extent that the premium requires amendment, the policy shall be issued at the revised premium and coverage or the Servicing Carrier shall promptly issue a correcting policy change.</p>	<p>Changing rule to be at the Servicing Carriers discretion.</p>	<p>This will not impact premiums</p>
DRIVER'S POLICY SECTION				
<p>Rule 704.A.3</p> <p>Binding Coverage – New Policies A.</p> <p>Requirements/ Procedures for binding new policies</p>	<p>3) The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>3) The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>

**FACILITY ASSOCIATION ONTARIO RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGES NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
NON OWNED SECTION				
Rule 803.A.3 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	<p>3) The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>3) The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2 1. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	To bring FA inline with industry practice	This will not impact premiums
Rule 812.F Minimum Premium & Minimum Retained Premium	The minimum premium for POL 6 (Non-Owned Automobile Policy), shall be \$250 and the minimum retained premium, in the event of cancellation, shall be \$250.	The minimum premium for POL 6 (Non-Owned Automobile Policy), shall be \$400 and the minimum retained premium, in the event of cancellation, shall be \$400.	Increases minimum policy premium and minimum retained premium	This may impact premiums

May 2023

**Manual of Rules and Rates
Ontario**

**2023 Private Passenger CLEAR Rate Group Tables and
2023 Commercial Rate Group Tables
Effective September 1, 2023 (New Business and Renewals)**

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

- 2023 Private Passenger CLEAR Rate Group Tables now having an amended range of 12-45 for Accident Benefits rate groups;
- 2023 Commercial Rate Group Tables (Tables I and II).

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

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

January 2023

**Manual of Rules and Rates
Ontario**

**Revised Private Passenger Vehicle Rates, Motorcycle & Mopeds Rates,
and Private Passenger Vehicle Rule Change
Effective May 1, 2023 (New Business and Renewals)**

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

- Revised Private Passenger rates. Overall, there is a change of +13.1%. Rates may vary depending upon individual policy circumstances;
- Revised Motorcycle & Mopeds rates. Overall, there is a change of +6.5%. Rates may vary depending upon individual policy circumstances;
- A revised rule in the Private Passenger section of the manual. A summary of the rule change is attached to the Manual Bulletin on the Facility Association website.

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

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

**FACILITY ASSOCIATION ONTARIO RULES AND RATES MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE MAY 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PASSENGER SECTION				
<p>Rule 111. Rating Class</p> <p>Notes: Class 05 and 06</p>	<p>Notes: Class 05 and 06</p> <p>1. The vehicle is first rated as if there were no occasional drivers under 25; coverage is then charged for such occasional drivers by adding the Third Party Liability, DCPD, Accident Benefits and Collision Coverage for Class 05 or Class 06 premiums. It is not permissible to issue a policy solely with a Class 05 or Class 06.</p> <p>2. The Third Party Liability limit, DCPD and Collision deductible for Classes 05 and/or Class 06 drivers must be identical to the coverage provided for the vehicle, except when varied by an END 28 ('Reducing coverage for Named Persons').</p> <p>3. Class 05 or Class 06 develops its own driving record, based on the experience of the driver(s) concerned.</p> <p>4. If there are two or more occasional drivers under 25 and:</p>	<p>Notes: Class 05 and 06</p> <p>1. The vehicle is first rated as if there were no occasional drivers under 25; coverage is then charged for such occasional drivers by adding the Third Party Liability, DCPD, Accident Benefits, Uninsured Automobile and Collision Coverage for Class 05 or Class 06 premiums. It is not permissible to issue a policy solely with a Class 05 or Class 06.</p> <p>2. The Third Party Liability limit, DCPD and Collision deductible for Classes 05 and/or Class 06 drivers must be identical to the coverage provided for the vehicle, except when varied by an END 28 ('Reducing coverage for Named Persons').</p> <p>3. Class 05 or Class 06 develops its own driving record, based on the experience of the driver(s) concerned.</p> <p>4. If there are two or more occasional drivers under 25 and:</p>	<p>Clarifies the existing Rule Note for Class 05 & 06 to indicate that Uninsured Automobile premium applies.</p>	<p>No impact to premiums</p>