

Alberta Public Bus Rating Example

How to Rate a Public Bus

Note – If there are any discrepancies between the instructions provided below and the rules in the Public Section of the manual, the rules take precedence.

1. Determine rating territory - refer to Rule 306

The rating territory is the territory where the vehicle will be used. If the vehicle is being operated to or through other territories then rates from the highest rated territory must be used.

2. Determine radius of operations to establish the class – refer to Rule 307

Class 70 – within 25 km or used within one town or city's limits

Class 73 – more than 25 km but less than 80km

Class 74 – between 80 km and 240 km

Class 78 – more than 240 km

3. Determine driving record – refer to Rule 309

This is based on the accident history of the vehicle (not the driver) and the number of years the Insured has owned the vehicle or one of a similar type. If the vehicle is newly acquired the driving record will be 0 unless it is replacing a vehicle of similar type that the Insured already owns.

4. Establish list price new and the deductible the Insured desires for physical damage coverage if required

5. Determine the limits of Liability required – refer to Rule 301 and 305

There are 3 components to the Liability coverage and premium.

- The Road Hazard Limit appears on the policy declaration page.
- The Passenger Hazard Bodily Injury coverage applies to passengers of the vehicle and the limit will appear on the 6c endorsement.
- The Passenger Hazard Property Damage coverage applied to property belonging to the passengers and the limit will appear on the 6c endorsement.

6. Determine the seating capacity – refer to Rule 305

Premium calculation for certain coverages are based on the vehicle's seating capacity. The seating capacity is the number of passengers that can be carried excluding the driver.

7. Apply any Outside Alberta exposure and currency differential surcharge – refer to Rules 324 and 325

Ask if the vehicle is being operated in the U.S. If so, a U.S. filing will be required and the Servicing Carrier must be advised so that arrangements for the filing can be made.

The Outside Alberta exposure surcharge is applied to the premiums calculated for Road Hazard, Passenger Hazard Bodily Injury, Passenger Hazard Property Damage, Accident Benefits, Collision and Comprehensive/Specified Perils.

There are two percentage amounts to be used for the Outside Alberta exposure surcharge – one that applies to Liability and Accident Benefits and a different percentage amount that applies to Physical Damage coverages.

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The surcharge is based on percentage of mileage driven outside Alberta. If a U.S. filing is required and the percentage of mileage driven in the U.S. is less than 5%, a minimum 5% Outside Alberta exposure surcharge must be applied.

If the rate of exchange for the U.S. dollar is higher than that for the Canadian dollar and an Outside Alberta exposure surcharge is being applied, the currency differential surcharge must also be applied to premium calculated for Road Hazard, Passenger Hazard Bodily Injury and Passenger Hazard Property Damage. The currency differential surcharge does not apply to other coverages. To calculate the currency differential surcharge:

- Determine the rate of exchange using the Bank of Canada previous day closing rate.
- Multiply the rate of exchange by the Outside Alberta surcharge exposure percentage to calculate the currency differential surcharge.
- *For example:*
 - The rate of exchange for the U.S. dollar is 1.0310 Canadian.
 - Therefore the currency differential is 0.03
 - The Outside Alberta exposure surcharge is 25%.
 - Currency differential surcharge is $0.03 \times 25\% = 0.75\%$
- The currency differential surcharge is not compounded on the Outside Alberta exposure surcharge so it is calculated separately and then added to the premium after the Outside Alberta exposure surcharge has been applied.

To calculate the premium with Outside Alberta Exposure Surcharge and Currency Differential Surcharge:

1. Calculate the Road Hazard premium e.g. \$1000
2. Multiply that premium (\$1000) by the currency differential surcharge (.75%) to obtain the currency differential in dollars i.e. \$7.50
3. Multiply the Road Hazard premium $\$1000 \times 1.25\%$ to apply Outside Alberta exposure surcharge to the premium = \$1,250
4. The Road Hazard premium is $\$1,250 + \$7.50 = \$1257.50$ rounded to \$1258.

Repeat steps 1, 2, 3 and 4 for Passenger Hazard Bodily Injury and Passenger Hazard Property Damage.

The premiums calculated are rounded up or down to the nearest dollar before Outside Alberta exposure/currency differential or accident/conviction surcharges are applied. If both Outside Alberta exposure/currency differential and accident/conviction surcharges are to be applied calculate the premium first with Outside Alberta exposure/currency differential, round off the premium and then apply any accident/conviction surcharge.

8. Apply any accident or conviction surcharge – refer to Rule 323

Accident and conviction surcharges are applied to the premiums calculated for Road Hazard, Passenger Hazard Bodily Injury, Passenger Hazard Property Damage and Collision.

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Rating Examples

There are three rating examples:

- Example 1 is for a vehicle in seating capacity 1 – 12
- Example 2 is for a vehicle in seating capacity 13 – 29
- Example 3 is for a vehicle in seating capacity 30+

Example 1 (1-12 Seating Capacity)

Road Hazard (RH)

- The premium is per vehicle. Premiums _____
- Select the premium that corresponds to the territory, class, driving record and Liability limit in seating capacity range 1-12. \$ _____
- If limits above \$1,000,000 are required, obtain the increased limit factor from Table A under Rates in the Public Section on the Rating Notes page. X _____
- The increased limit factor is applied to the premium for \$1,000,000. = _____
- Multiply the premium by the increased limit factor if applicable and round the premium. X _____
- If there is Outside Alberta exposure, calculate the exposure percentage. (Rule 325.A) = _____
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B) + _____
- Multiply the premium by the Outside Alberta exposure percentage \$ _____
- Add the currency differential premium if applicable and round the premium. X _____
- Multiply the premium by any applicable accident and conviction surcharge and round the premium. X _____

Total RH \$ _____

Passenger Hazard Bodily Injury (PHBI)

- The premium is per seat. Premiums _____
- Select the premium that corresponds to the class, driving record and Liability limit in seating capacity range 1-12. \$ _____
- If limits other than those shown on the rate page are required, obtain the increased limit factor from Table B under Rates in the Public Section on the Rating Notes page and multiply it by the premium for 200/200. X _____
- If limits above \$1,000,000 are required, first calculate the premium for 1000/1000 and multiply it by the factor obtained from Table B Excess Limits Factor. = _____
- Multiply the premium by the number of seats and round the premium. X _____
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH. (Rule 325.A) = _____
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B) X _____

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Passenger Hazard Bodily Injury (PHBI) cont'd

- Add the currency differential premium if applicable and round the premium. + _____
- Multiply the premium by any applicable accident and conviction surcharge and round the premium. \$ _____
X _____

Total PHBI \$ _____

Passenger Hazard Property Damage (PHPD)

- The premium is per seat for a limit of \$5,000. Premiums _____
- Select the premium that corresponds to the territory, class, driving record in seating capacity range 1-12. \$ _____
- Multiply the premium by the number of seats and round the premium. X _____
= _____
- If limits above \$5,000 are required, go to the Rating Notes page at the beginning of the Rates in the Public Section and obtain the increased limit factor from Table C. X _____
= _____
- Multiply the premium by the increased limit factor if applicable and round the premium. X _____
= _____
- If there is Outside Alberta, exposure multiply the premium by the exposure percentage used for RH. (Rule 325.A) X _____
= _____
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B) + _____
\$ _____
- Add the currency differential premium if applicable and round the premium. X _____
- Multiply the premium by any applicable accident and conviction surcharge and round the premium. + _____
\$ _____
X _____

Total PHPD \$ _____

Accident Benefits (AB)

- The rate is per seat. Premiums _____
\$ _____
- Multiply the premium for 1 – 12 seats by the number of seats. X _____
= _____
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH and round the premium. (Rule 325.A) X _____
= _____

Total AB \$ _____

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<u>Collision (Coll)</u>	<u>Premiums</u>
• The premium is per vehicle.	\$ _____
• Select the premium that corresponds to the driving record and list price new.	\$ _____
• The premium is based on \$1,000 deductible.	X _____
• Multiply the premium by the deductible factor found on the public vehicle rate page to reduce or increase the deductible as required.	= _____
• If there is Outside Alberta exposure, calculate the exposure surcharge for Physical Damage. (Rule 325.A)	X _____
• Multiply the premium by the Outside Alberta exposure percentage.	= _____
• Multiply the premium by any applicable accident and conviction surcharge and round the premium.	X _____
	Total Coll \$ _____

<u>Comprehensive/Specified Perils (CP/SP)</u>	<u>Premiums</u>
• The premium is per vehicle.	\$ _____
• Select the premium that corresponds to the list price new.	\$ _____
• The premium is based on \$1000 deductible.	X _____
• Multiply the premium by the deductible factor found on the public vehicle rate page to reduce or increase the deductible as required.	= _____
• If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for Collision and round the premium. (Rule 325.A)	X _____
	Total CP/SP \$ _____

Example 2 (13 – 29 Seating Capacity)

<u>Road Hazard (RH)</u>	<u>Premiums</u>
• The premium is per vehicle.	\$ _____
• Select the premium that corresponds to the territory, class, driving record and Liability limit in seating capacity range 13-29.	\$ _____
• If limits above \$1,000,000 are required, obtain the increased limit factor from Table A under Rates in the Public Section on the Rating Notes page.	X _____
• The increased limit factor is applied to the premium for \$1,000,000.	= _____
• Multiply the premium by the increased limit factor if applicable and round the premium.	X _____
• If there is Outside Alberta exposure, calculates the exposure percentage. (Rule 325.A)	= _____
• If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B)	\$ _____
• Multiply the premium by the Outside Alberta exposure percentage.	X _____
• Add the currency differential premium if applicable and round the premium.	+ _____
• Multiply the premium by any applicable accident and conviction surcharge and round the premium.	X _____
	Total RH \$ _____

Alberta Public Bus Rating Example

Passenger Hazard Bodily Injury (PHBI)

- The premium is per seat. Premiums
- Select the per seat premium that corresponds to the territory, class, driving record, Liability limit in seating capacity range 1-12. \$ _____
- If limits other than those shown on the rate page are required, obtain the increased limit factor from Table B under Rates in the Public Section on the Rating Notes page and multiply it by the premium for 200/200. \$ _____
- If limits above \$1,000,000 are required first calculate the premium for 1000/1000 and multiply it by the factor obtained from Table B Excess Limits Factor. \$ _____
- Multiply the premium by 12 to obtain the premium for the first 12 seats. X _____
- Equals "A". \$ _____
- Select the per seat premium that corresponds to the same class, driving record, Liability limit in seating capacity range 13-29. \$ _____
- If limits other than those shown on rate page are required, apply increased limit factor to the per seat premium as you did under seating capacity 1 - 12. \$ _____
- Multiply that premium by the number of seats exceeding 12. X _____
- Equals "B". \$ _____
- Total the premiums for "A" and "B". \$ _____
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH. (Rule 325.A) X _____
= _____
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B) + _____
- Add the currency differential premium if applicable and round the premium. \$ _____
- Multiply the premium by any applicable accident and conviction surcharge and round the premium. X _____

Total PHBI \$ _____

Passenger Hazard Property Damage (PHPD)

- The premium is per seat and the limit is \$5,000. Premiums
- Select the per seat premium that corresponds to the class, driving record, Liability limit in seating capacity range 1-12. \$ _____
- Multiply the premium by 12 to obtain the premium for the first 12 seats. X _____
- Equals "A". \$ _____
- Select the per seat premium that corresponds to the same class, driving record, Liability limit in seating capacity range 13-29. \$ _____
- Multiply that premium by the number of seats exceeding 12. X _____
- Equals "B". \$ _____
- Total the premiums for "A" and "B". \$ _____
- If limits above \$5,000 are required, go to the Rating Notes page at the beginning of the rates in the Public Section and obtain the increased limit factor from Table C. \$ _____
- Multiply the premium by the increased limit factor if applicable and round the premium. X _____
\$ _____

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Passenger Hazard Property Damage (PHPD)

- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH. (Rule 325.A)
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B)
- Add the currency differential premium if applicable and round the premium.
- Multiply the premium by any applicable accident and conviction surcharge and round the premium.

Total PHPD

Accident Benefits (AB)

- Under 13-29 there is a base charge and a per seat rate.
- The base charge is the premium for 12 seats.
- Fill in the per seat premium.
- Multiply the premium by the number of seats that exceed 12.
- Fill in the base charge.
- Add the premium calculated for the number of seats to the base charge.
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH and round the premium. (Rule 325.A)

Total AB

Collision (Coll)

- The premium is per vehicle.
- Select the premium that corresponds to the driving record and list price new.
- The premium is based on \$1,000 deductible.
- Multiply the premium by the factor found on the public vehicle rate page to reduce or increase the deductible as required.
- If there is Outside Alberta exposure, calculate the exposure surcharge for Physical Damage. (Rule 325.A)
- Multiply the premium by the exposure percentage.
- Multiply the premium by any applicable accident and conviction surcharge and round the premium.

Total Coll

Alberta Public Bus Rating Example

Comprehensive/Specified Perils (CP/SP)

- The premium is per vehicle. Premiums
\$ _____
- Select the premium that corresponds to the list price new. \$ _____
- The premium is based on \$1,000 deductible. X _____
- Multiply the premium by the deductible factor found on the public vehicle rate page to reduce or increase the deductible as required. = _____
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for Collision and round the premium. (Rule 325.A) X _____

Total CP/SP \$ _____

Example 3 (30+ Seating Capacity)

Road Hazard Bodily Injury (RH)

- The premium is per vehicle. Premiums
\$ _____
- Select the premium that corresponds to the territory, class, driving record and Liability limit in seating capacity range 30+. \$ _____
- If limits above \$1,000,000 are required, obtain the increased limit factor from Table A under Rates in the Public Section on the Rating Notes page. X _____
- The increased limit factor is applied to the premium for \$1,000,000. = _____
- Multiply the premium by the increased limit factor if applicable and round the premium. X _____
- If there is Outside Alberta exposure, calculates exposure percentage. (Rule 325.A) = _____
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B) \$ _____
- Multiply the premium by the exposure percentage. X _____
- Add the currency differential premium if applicable and round the premium. = _____
+ _____
\$ _____
- Multiply the premium by any applicable accident and conviction surcharge and round the premium. X _____

Total RH \$ _____

Passenger Hazard Bodily Injury (PHBI)

- The premium is per seat. Premiums
- Select the per seat premium that corresponds to the territory, class, driving record, Liability limit in seating capacity range 1-12. \$ _____
- If limits other than those shown on the rate page are required, obtain the increased limit factor from Table B under Rates in the Public Section on the Rating Notes page and multiply it by the premium for 200/200. X _____
- If limits above \$1,000,000 are required, first calculate the premium for 1000/1000 and multiply it by the factor obtained from Table B Excess Limits Factor. \$ _____
- Multiply the premium by 12 to obtain the premium for the first 12 seats. X _____
- Equals "A". \$ _____

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Passenger Hazard Bodily Injury (PHBI) cont'd

- Select the per seat premium that corresponds to the same class, driving record, Liability limit in seating capacity range 13-29. \$ _____
- If limits other than those shown on rate page are required, apply increased limit factor to the per seat premium as you did under seating capacity 1 - 12. X _____
- Multiply that premium by 17 to obtain the premium for the next 17 seats. \$ _____
- Equals "B". \$ _____
- Select the per seat premium that corresponds to the same class, driving record, liability limit in seating capacity range 30+. \$ _____
- If limits other than those shown on rate page are required, apply increased limit factor to the per seat premium as you did under seating capacity 1 - 12. X _____
- Multiply that premium by the number of seats exceeding 29. X _____
- Equals "C". \$ _____
- Total the premiums for "A", "B" and "C". \$ _____
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH. (Rule 325.A) X _____
= _____
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B) + _____
\$ _____
- Add the currency differential premium if applicable and round the premium. X _____
- Multiply the premium by any applicable accident and conviction surcharge and round the premium. X _____

Total PHBI \$ _____

Passenger Hazard Property Damage (PHPD)

- The premium is per seat and the limit is \$5,000. Premiums
- Select the per seat premium that corresponds to the class, driving record, Liability limit in seating capacity range 1-12. \$ _____
- Multiply the premium by 12 to obtain the premium for the first 12 seats. X _____
- Equals "A". \$ _____
- Select the per seat premium that corresponds to the same class, driving record, Liability limit in seating capacity range 13-29. \$ _____
- Multiply that premium by 17 to obtain the premium for the next 17 seats. X _____
- Equals "B". \$ _____
- Select the per seat premium that corresponds to the same class, driving record, Liability limit in seating capacity range 30+. \$ _____
- Multiply that premium by the number of seats exceeding 29. X _____
- Equals "C". \$ _____
- Total the premiums for "A", "B" and "C". \$ _____
- If limits above \$5,000 are required, go to the Rating Notes page at the beginning of the rates in the Public Section and obtain the increased limit factor from Table C.
- Multiply the premium by the increased limit factor if applicable and round the premium. X _____
\$ _____

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Passenger Hazard Property Damage (PHPD)

- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH. (Rule 325.A)
- If U.S. dollar is higher than Canadian dollar, calculate the currency differential premium to be added. (Rule 325.B)
- Add the currency differential premium if applicable and round the premium.
- Multiply the premium by any applicable accident and conviction surcharge and round the premium.

Total PHPD

Accident Benefits (AB)

- There is a base charge and a per seat rate.
- The base charge is the premium for 29 seats.
- Fill in the per seat premium.
- Multiply the premium by the number of seats exceeding 29.
- Fill in the base charge.
- Add the premium calculated for the number of seats to the base charge.
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for RH and round the premium. (Rule 325.A)

Total AB

Collision (Coll)

- The premium is per vehicle.
- Select the premium that corresponds to the driving record and list price new.
- The premium is based on \$1,000 deductible.
- Multiply the premium by the deductible factor found on the public vehicle rate page to reduce or increase the deductible as required.
- If there is Outside Alberta exposure, calculate the exposure surcharge for Physical Damage. (Rule 325.A)
- Multiply the premium by the exposure percentage.
- Multiply the premium by any applicable accident and conviction surcharge and round the premium.

Total Coll

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Comprehensive/Specified Perils (CP/SP)

- The premium is per vehicle. Premiums
\$ _____
- Select the premium that corresponds to the list price new. Premiums
\$ _____
- The premium is based on \$1000 deductible. Premiums
X _____
- Multiply the premium by the deductible factor found on the public vehicle rate page to reduce or increase the deductible as required. Premiums
= _____
- If there is Outside Alberta exposure, multiply the premium by the exposure percentage used for Collision and round the premium. (Rule 325.A) Premiums
X _____

Total Comp \$ _____