

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F2020 – 025

DATE: APRIL 22, 2020

SUBJECT: FACILITY ASSOCIATION – COVID-19 RESPONSE (RSP)

In regards to the current COVID-19 pandemic, the Facility Association has been advised that a number of Member insurers are in the process of, or have already taken steps to provide policyholders with assistance and relief measures.

The Facility Association (FA) supports our Industry Member's COVID-19 response. With respect to policies transferred to Risk Sharing Pools (RSPs), the FA will allow the eligible transfer (and RSP reimbursement) of policy and claims transactions associated with Member COVID-19 relief measures, consistent with the Member's treatment of such transactions for the Member's own book of business, subject to the audit provisions noted below. While we anticipate the provisions taken by companies will be in place until the Public Health emergency ends, transfers are made to the RSPs in advance of renewals, and in planning for the coming term. Therefore, we expect these provisions will be in place for policy and claim transactions with an original **effective date prior to January 1, 2021**.

Recognizing Member relief measures will vary, we have provided certain common requested scenarios below.

1. Policy refund / premium adjustments
 - Submit endorsement or mid-term adjustment transactions to the RSP Portal.
2. Premium deferral / Waiving of NSF fees / Providing additional (temporary) coverage
 - No additional RSP Portal reporting is required.
3. Policyholder using private passenger vehicle for temporary commercial purposes
 - Follows Member classification and treatment of risk as private passenger or as commercial vehicle on the Member's own book in the specified jurisdiction. This allowance is intended to support the industry response to support drivers volunteering to deliver groceries or meals, or tangentially using their PPV vehicles to deliver parcels, restaurant meals or groceries during the health emergency.
 - Transfer to the RSPs: where the classification is permitted to remain PPV during the health emergency, the risk is eligible for transfer to the RSPs, following all other rules and provisions in the jurisdiction in question. Please be reminded that the RSP accepts only private passenger risks for transfer, and RSP eligibility rules for

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Transportation Network Company vehicles continue to apply. Please see special process for this circumstance in Alberta as noted below.

4. Cancellation on a pro-rata versus short rate basis
 - Submit cancellation transaction with pro-rata premium to the RSP Portal.
5. Member suspension of cancellation of policies for non-payment of premiums
 - FA's current policy is that Members bear the credit risk for non-payment of policy premiums where they have not collected sufficient premium to cover the elapsed time on risk. With the additional Industry assumption of consumer credit risk, for the duration, FA will allow RSP cancellations based on policy collected premium.
 - Submit cancellation transaction to the RSP Portal with transaction effective date based on collected earned premium date instead of the legal cancellation date. The RSPs will continue to provide policy coverage to the legal cancellation date.

SPECIAL PROVISIONS FOR ALBERTA:

In Alberta, regulation stipulates that any vehicle used for the delivery of goods, including food, is a commercial vehicle (Alberta Premiums Insurance Regulation (124/2004)). FA has consulted with the Superintendent's office and provides the following guidance to Members:

1. Volunteer activities are, both during the health emergency and at all times, permitted under the private passenger classification without need of reclassification or special endorsement. We include Alberta's Bulletin 2004-02 for Members.
2. During the health emergency, Members may choose to allow customers to use their PPV vehicles temporarily for delivery of goods and food for compensation **subject to** submission of a request to the Superintendent for this temporary measure. Submission should stipulate the extent of the allowance (part-time, full-time, types of deliveries, whether paid or tangential to other uses). The submission and approval of such a measure will constitute evidence of the Members "filed and approved" process, and such vehicles may be transferred to the RSP, providing they meet remaining eligibility criteria.
3. Members are reminded that allowances for premium refund and or classification changes may change the applicability of the regulated grid pricing to a risk, and consequently change its eligibility for transfer to the GRID POOL in Alberta.

Please be prepared to provide correspondence with the provincial regulator, or public statements of your company's adherence to the industry general actions (IBC) for audit purposes. Should you have any questions or require special handling provisions, please contact Member Services at ms@facilityassociation.com.

Saskia Matheson
President & CEO

November 23, 2004

TO ALL LICENSED AUTOMOBILE INSURERS

RE: S.E.F. No. 6a - Permission to Carry Passengers For Compensation Endorsement

The purpose of this bulletin is to provide a interpretation on the use of the S.E.F. No. 6a endorsement in relation to an employee using their vehicle in the business of their employer or an insured person using their vehicle for volunteer purposes.

The Owner's Policy S.P.F. No. 1 contains an "excluded use" provision relating to the use of the insured vehicle for compensation or hire.

General Provision 8 - Excluded Uses states:

Unless coverage is expressly given by an endorsement of this Policy, the insurer shall not be liable under this policy while:

- (a) *the automobile is rented or leased to another; provided that the use by an employee of his automobile on the business of his or her employer and for which he or she is paid shall not be deemed the renting or leasing of the automobile to another;*
- (c) *the automobile is used as a taxicab, ... or for carrying passengers for compensation or hire; provided that the following uses shall not be deemed to be the carrying of passengers for compensation or hire:*

...

- (iv) *the use by the insured of his automobile for the carriage of clients or customers or prospective clients or customers.*

Therefore, the S.E.F. No. 6a endorsement is not required when the insured person's vehicle is used to transport clients or when a person uses their vehicle on the business of their employer even though the employee is paid to do so.

A number of questions have arisen as to whether the endorsement is required for persons using their vehicles for volunteer purposes. The endorsement is not required where a volunteer is paid mileage and expenses when using their vehicle for volunteer purposes.

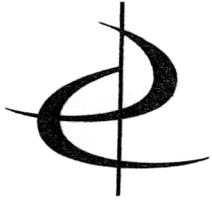
Attached for your information are copies of Insurance Bureau of Canada bulletins on the issue of volunteer drivers.

If you have any questions on this issue please contact Arthur Hagan, Deputy Superintendent of Insurance at 780-422-1592.

Sincerely,

Dennis Gartner
Assistant Deputy Minister
Pensions, Insurance and Financial Institutions

Att.



TO: Head Offices of Member Companies
for the Attention of the Chief Executive Officer

DATE: March 31, 2004

BULLETIN NO. CEO 2004-03

VOLUNTEER DRIVERS

A number of years have passed since CEO Bulletin 89-77 regarding volunteer drivers was issued by IBC. It is likely that a number of industry employees are unaware of this bulletin.

Bulletin 89-77 was prepared in response to concerns raised by volunteer organizations that their volunteer drivers were being asked to notify their insurer if they are acting as a volunteer driver. In CEO bulletin 89-77 we pointed out that occasional driving by volunteers is in no way a violation of the policy and there should be no need in such circumstances for the company to be advised of the activity. We pointed out that this is so even though there may be a payment towards the cost of a trip.

The suggestion made by IBC in 1989 is equally applicable today and we encourage our members to follow this advice. As we mentioned in CEO bulletin 89-77, we are not dealing here with people who are acting on an all-day, everyday basis where there is a profit motive and where an endorsement to the policy might well be appropriate.

Stanley I. Griffin, M.A., CIP
President and Chief Executive Officer

/vb

Staff Reference: Randy J. Bundus
416-362-2031 Ext. 4904



Insurance Bureau of Canada - Bureau d'assurance du Canada
 181 University Avenue • Thirteenth Floor • Toronto • Ont. • M5H 3M7 • Tel. (416) 362-2031 • Fax (416) 361-5952

TO: Head Offices of Member Companies for the
 Attention of the Chief Executive Officer

DATE: December 21, 1989

BULLETIN NO: CEO 89-77

VOLUNTEER DRIVERS

Some volunteer organizations are expressing concern that their volunteer drivers are being asked by some insurers to notify the insurer where they are acting in this capacity. We would point out that occasional driving by volunteers is not in any way a violation of the policy and there should be no need in such circumstances for the company to be advised of the activity. This is so even although there may be a payment towards the cost of the trip.

Clearly, we are not dealing here with people who are acting on an all day, every day basis where there is a profit motive and where an endorsement to the policy might well be appropriate.

John L. Lyndon
 President

JLL/vb

Staff Reference: Alex Kennedy
 Vice President and General Counsel

S.E.F. No. 6a

PERMISSION TO CARRY PASSENGERS FOR COMPENSATION ENDORSEMENT

In consideration of a premium of \$..... permission is hereby given for the automobile to be used to carry passengers for compensation or hire in the business of or for the use described as follows:

If more than one automobile is insured under this policy, this endorsement shall apply only to the automobile(s) described under item(s) number..... of the schedule of automobiles attached to and forming part of this policy.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Attached to and forming part of Policy No. _____ of _____

Issued to _____

This endorsement shall be effective from A.M. P.M. Local Time Y.M.D.