

July 2023

# Manual of Rules and Rates Newfoundland & Labrador

# 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 Newfoundland & Labrador:

• 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 <u>www.facilityassociation.com</u> has been updated with this information.

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PAS	SSENGER SECTION			
Rule 103 A.3 Binding Coverage – New Policies A. Requirements/P rocedures for binding new policies	<ul> <li>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.</li> <li>For example: <ul> <li>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.</li> <li>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.</li> </ul> </li> </ul>	<ul> <li>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.</li> <li>For example: <ul> <li>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</li> <li>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.</li> </ul> </li> </ul>	To bring FA inline with industry practice	This will not impact premiums
Rule 123.D Commonly Used Endorsements	<ul> <li>D. Deletion of Glass Coverage</li> <li>The coverage provided under Comprehensive for damage to glass may be amended by means of adding 13C to delete coverage for damage to glass except when caused by Specified Perils. The premium charged for the reduced Comprehensive coverage is the Specified Perils premium plus 10% of the Comprehensive premium.</li> <li>Where the deductible is \$1,000 or higher, there is no premium reduction.</li> <li>Signature Required</li> <li>This endorsement requires a signature. If a signature cannot be obtained, refer to Rule 122: Endorsement Forms/Wordings.</li> </ul>	<ul> <li>D. Deletion of Glass Coverage Comprehensive</li> <li>Cover-Deletion of Glass Endorsement</li> <li>The coverage provided under Comprehensive for damage to glass may be amended by means of adding 13C to delete coverage for damage to glass except when caused by Specified Perils.</li> <li>The premium charged for the reduced Comprehensive coverage is the Specified Perils premium plus 10% of the Comprehensive premium.</li> <li>Where the deductible is \$1,000 or higher, there is no premium reduction.</li> <li>Signature Required</li> <li>This endorsement requires a signature. If a signature cannot be obtained, refer to Rule 122: Endorsement Forms/Wordings.</li> </ul>	As of March 22, 2022, the name on 13D changed. FA manual needs to be updated for this change	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 127.E.a & c Policy Changes Deletions of Vehicles and Coverages	<ul> <li>a) If the request for deletion is received by the Agent/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.</li> <li>For example: 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 12:01 a.m. on September 5, the Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. on September 6.</li> <li>b) If the request for deletion is received by the Agent/Broker (or Servicing Carrier if received directly from Insured) more than 30 days after the date the deletion was requested to be effected, the deletion will take effect at 12:01 a.m. on the date that the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> <li>For example: The Insured requests deletion of a vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. October 10.</li> </ul>	<ul> <li>E. Deletions of Vehicles and Coverages <ul> <li>a) If the request for deletion is received by the Agent/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.</li> <li>For example: 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.</li> <li>b) If the request for deletion is received by the Agent/Broker (or Servicing Carrier if received directly from Insured) more than 30 days after the date the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> <li>For example: The Insured requests deletion of a vehicle/coverage to be effective september 5. The deletion will take effect at 12:01 a.m. on the date that the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> <li>For example: The Insured requests deletion of a vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage to be effective 12:01 a.m. October 10.</li> </ul> </li> <li>Note for a) and b)</li> <li>If the date the request was received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. October 10.</li> </ul>	To bring FA inline with industry practice	This will not impact premiums
	If the date the request was received by the Agent/Broker is not evident, the Agent/ Broker will be asked to provide proof of the date received acceptable to the Servicing Carrier. If proof cannot	If the date the request was received by the Agent/Broker is not evident, the Agent/ Broker will be asked to provide proof of the date received acceptable to the Servicing Carrier. If proof cannot be provided, the		

Rule	Cu	rrent Wording		Approved	Change from Current	Premium impact on existing policies	
	<ul> <li>12:01 a.m. on the da Carrier.</li> <li>c) In the event that and a copy of the Servicing Carrier deleted the day a regardless of whe For example: The Servicing Carrier delete until Septo produce a satisfa</li> </ul>	the <b>vehicle has been sold</b> , e bill of sale satisfactory to the is produced, the vehicle shall be after the vehicle is sold at that date might be. e vehicle was sold June 5. The does not receive the request to ember 5. If the insured can ictory bill of sale, the Servicing e the vehicle effective 12:01	date rec c) In th copy Carr day <del>date</del> <i>For</i> Serv dele a sa	every by the Servici ne event that the <b>ve</b> l y of the bill of sale sa rier is produced, the after the vehicle is se might be. example: The vehicl vicing Carrier does n the until September S tisfactory bill of sale	fective 12:01 a.m. on the ng Carrier. <b>hicle has been sold,</b> and a atisfactory to the Servicing vehicle shall be deleted the sold. <del>regardless of what that</del> e was sold June 5. The ot receive the request to 5. If the Insured can produce , the Servicing Carrier will ive 12:01 a.m. June 6.	To bring FA inline with industry practice	This will not impact premiums
Rule 152 Endorsements Applicable to POL 1 13C	13CDeletion of Glass Coverage Amends the Comprehens ive 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) 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 \$1000 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	Deletion of Glass Coverage         Comprehensive Cover – Deletion of Glass 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) 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 \$1000 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.	As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change. FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions.	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
COMMERCIA	L SECTION			
Rule 203 A.3 Binding Coverage – New Policies A. Requirements/P rocedures 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.	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.	To bring FA inline with industry practice	This will not impact premiums
	<ul> <li>For example:</li> <li>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.</li> <li>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.</li> </ul>	<ul> <li>For example:</li> <li>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</li> <li>1. However, the coverage is in effect as of 1:00 p.m. on June 1.</li> <li>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.</li> </ul>		
	Julie 1.			
Rule 217.E.c	E. Deletions of Vehicles and Coverages	E. Deletions of Vehicles and Coverages	To bring FA	This will
Policy Changes Deletions of Vehicles and Coverages	<ul> <li>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.</li> <li>For example: The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the insured can produce</li> </ul>	<ul> <li>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.</li> <li>For example: 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</li> </ul>	inline with industry practice	not impact premiums
	a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.	bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.		

Rule	Curr	ent Wording	Approved Wording			Change from Current	Premium impact on existing policies
Rule 228. C:	Step 2: Determine U	I.S. Exposure	Step 2: Detern	nine U.S. Expo	sure	US	This may
Outside Province Exposure. C. Interurban Outside		ported mileage (Canada and % per percentage (%) of	vehicle travels <u>i</u>	<u>nto the U.S.</u> Irge is based on	ed by how often the the States in which a	surcharge will now be based on the State and Region where the	impact premiums
Province	U.S. Exposure	Applicable U.S.		-		majority of	
Exposure Surcharge	5%	Surcharge 5%	Region 1	Region 2	Region 3	exposure exists	
Rule 228. C: Outside Province Exposure. C. Interurban Outside Province Exposure	10% 25% 50%	10% 25% 50%	Alaska Colorado Idaho Iowa Kansas Nebraska Nevada North Dakota Oregon Utah Wisconsin Wyoming	Arizona Arkansas California Georgia Illinois Indiana Kentucky Michigan Minnesota Missouri Montana New Mexico North Carolina Ohio Oklahoma Pennsylvania South Dakota Tennessee Virginia Washington	Rhode Island South Carolina Texas Vermont West Virginia		
Surcharge (Excluding Commercial Vehicles)				e) is based on th osure exists: Ap pe 1%	Surcharge (per percentage he Region where the pplicable Surcharge r % of Exposure		

Rule	Rule Current Wording Approved Wording				Premium impact on existing policies
Rule 228. C: Outside Province Exposure. C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	Step 3: Determine the Total Outside Province         Exposure Surcharge (or discount) applicable to         the Interurban Vehicle         The total surcharge (or discount) applicable is         determined by totaling the surcharge amounts         calculated under Step 1 and Step 2.         The total surcharge (or discount) is applicable to         Liability (BI and PD) and DCPD premiums.         Example:         Step 1: Canadian Out of Province Discount = -70%         Step 2: U.S. Exposure Surcharge = 10%         Total Out of Province Exposure Adjustment -60%         In the above example a 60% discount would apply	Region 2 and 50% in Regi surcharge would be 1.5% In the event of a tie or wh any Region, select the Reg surcharge (per percentage outlined in the chart above <i>Example:</i> A vehicle travel both Region 2 and Region 3 (1.5% per % of U.S. Exp rate of surcharge by the p as outlined in the chart ab <i>Example:</i> A vehicle travel Region 3 would have a 60 <i>Step 3: Determine the T</i> <i>Exposure Surcharge applic</i> the total surcharge applic the amounts calculated un The total surcharge is app <b>PD) and DCPD premium</b> <i>Example:</i> Step 1: Canadian Out of F Step 2: U.S. Exposure Su Total Out of Province Expo If applicable, round up to	per % of U.S Exposure. ere no clear majority exists in gion that generates the highest a of U.S. Exposure), as a. s 20% in Region 1; 40% in 3. A surcharge rate of Region posure) would apply. bosure surcharge, multiply the ercentage of U.S. Exposure, ove. ing 40% into the U.S. using % surcharge. <b>Fotal Outside Province</b> <b>plicable to the Interurban</b> able is determined by totaling ider Step 1 and Step 2. licable to <b>Liability (BI and</b> <b>us</b> Province Surcharge= 320% rcharge Region 3 = <u>60%</u> psure Surcharge 380% the nearest whole %.	Current US surcharge will now be based on the State and Region where the majority of exposure exists	
		Total Out of Province Expo If applicable, round up to	osure Surcharge 380% the nearest whole %. 80% surcharge would apply to		

Rule	Current Wording			Approved Wording			Premium impact on existing policies
Rule 243 Endorsements Applicable to POL 1 13C	13C         Deletion of Glas           Coverage         Amends the           Comprehensive         coverage by           deleting coverag         for damage to           glass unless caus         by a hazard           included in         Specified Perils           coverage.	Motor Homes and "Light" Commercial Vehicles (excluding Trailers) Private Passenger Vehicles, Motor Homes and "Light" Commercial Vehicles	13CDeletion of Glass CoveragePrivate Passenger Vehicles, Motor Homes and "Light" Commercial Vehicles (commercial Vehicles (excluding Trailers) Premium charged for reduced coverage by deleting 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 \$1000 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.		Motor Homes and "Light" Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1000 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.	As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change	This will not impact premiums
PUBLIC SECT						-	
Rule 303 A.3 Binding Coverage – New Policies A. Requirements/P rocedures for binding new policies	date the coverage is circumstances may effective prior to the completion of the a coverage may not a on the date the app except when the bind future date, the polic at 12:01 a.m. on the coverage was bound.	take effect as of the time and bound. <b>Under no</b> <b>a coverage be shown as</b> <b>be date and time of</b> <b>application form. Therefore</b> <b>be bound as of 12:01 a.m.</b> <b>olication is signed.</b> However, ling time is 12:01 a.m. of a y shall be shown as effective day following the date The premium rates to be effect on the binding date.	date t Applic <del>circu.</del> <del>of the</del> <del>not b</del> <del>appli</del> bindir shall I <del>follow</del>	the coverage is boun cation signed by the mstances may cov tive prior to the da e application form. the bound as of 12:0 cation is signed. Ho time is 12:01 a.m be shown as effective ting the date coverage	effect as of the time and d, as evidenced by the Insured. Under no erage be shown as the and time of completion Therefore coverage may of a.m. on the date the owever, except when the . of a future date, the policy e at 12:01 a.m. on the day ge was bound. The premium ose in effect on the binding	To bring FA inline with industry practice	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	For example: 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.	For example: 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 <del>2</del> 1. 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.	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.		
Rule 315.E.a & c Policy Changes Deletions of Vehicles and Coverages	<ul> <li>E. Deletions of Vehicles and Coverages <ul> <li>a) If the request for deletion is received by the Agent/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.</li> <li>For example: 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 at 3:40 p.m. on September 5, the Servicing Carrier will delete the vehicle/coverage effective at 3:201 a.m.</li> </ul> </li> </ul>	<ul> <li>E. Deletions of Vehicles and Coverages <ul> <li>a) If the request for deletion is received by the Agent/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.</li> </ul> </li> <li>For example: 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.</li> </ul>	To bring FA inline with industry practice	This will not impact premiums
	<ul> <li>on September 6.</li> <li>b) If the request for deletion is received by the Agent/Broker (or Servicing Carrier if received directly from Insured) more than 30 days after the date the deletion was requested to be effected, the deletion will take effect at 12:01 a.m. on the date that the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> </ul>	<ul> <li>b) If the request for deletion is received by the Agent/Broker (or Servicing Carrier if received directly from Insured) more than 30 days after the date the deletion was requested to be effected, the deletion will take effect at 12:01 a.m. on the date that the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> </ul>		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	For example: The Insured requests deletion of a vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. October 10.	<i>For example:</i> The Insured requests deletion of a vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. October 10.	To bring FA inline with industry practice	This will not impact premiums
	<ul> <li>Note for a) and b)</li> <li>If the date the request was received by the Agent/Broker is not evident, the Agent/ Broker will be asked to provide proof of the date received acceptable to the Servicing Carrier. If proof cannot be provided, the request will be processed effective 12:01 a.m. on the date received by the Servicing Carrier.</li> <li>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.</li> <li>For example: 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.</li> </ul>	<ul> <li>Note for a) and b)</li> <li>If the date the request was received by the Agent/Broker is not evident, the Agent/ Broker will be asked to provide proof of the date received acceptable to the Servicing Carrier. If proof cannot be provided, the request will be processed effective 12:01 a.m. on the date received by the Servicing Carrier.</li> <li>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.</li> <li>For example: 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.</li> </ul>		
Rule 338 13C Endorsements Applicable to POL 1	I3C     Deletion of Glass Coverage     Not offered in this section.	13C       Deletion of Glass Coverage Comprehensive Cover-Deletion of Glass Endorsement       Not offered in this section. on 'Public Vehicles' as described in the Public Section of this manual	As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
RECREATION Rule 403 A.3 Binding Coverage – New Policies A. Requirements/P rocedures for binding new policies	<ul> <li>AL SECTION</li> <li>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.</li> <li>For example: <ul> <li>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.</li> <li>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.</li> </ul> </li> </ul>	<ul> <li>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.</li> <li>For example: <ul> <li>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</li> <li>1. However, the coverage is in effect as of 1:00 p.m. on June 1.</li> <li>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.</li> </ul> </li> </ul>	To bring FA inline with industry practice	This will not impact premiums
Rule 409.B       Driving Record       Motorcycle &       Mopeds		<ul> <li>1. Driving Record Entitlement The Full number of years immediately preceding the commencement date of the period of insurance for which: <ul> <li>a) the principal driver has continuously held a valid operator's licence; and</li> <li>b) there has been no chargeable accidents</li> <li>Regardless of the period during which an operator has held a Learner's Licence/permit, the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained.</li> </ul></li></ul>	Clarifies the rule that DR will not progress when operator only has Leaner's licence / permit	This may impact premiums

Rule	Current Wording		Approved Wording				Change from Current	Premium impact on existing policies
	<ol> <li>Calculating Driving Record with a Licence Suspension/Cancellation/Lapse Suspension of Operator's Licence can be one of two types:</li> <li>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.</li> <li>Administrative Suspension/Cancellation/ Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A.</li> <li>With suspensions for cause</li> <li>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)</li> <li>Examples:</li> </ol>	Years Licenced Less than 1 1 year 2 years 3 years 4 years 5 years Where an acci more) is applie Driving Record The driving re- chargeable acc DCPD and Coll 2. Calculating Suspension of types: A. Suspension for conviction or a B. Administrat Lapse: A susp more for any for A. With susp • For the total deduct 1 year suspension from Record 3) Examples 1 1- Principal op 6 month suspending record	ed to a vehicl a shall be a cord establish cident will aff ision coverag <b>g Driving Re</b> <b>Cancellation</b> Operator's L <b>n for cause</b> : for more that <b>n for cause</b> : for more that <b>n accumulat</b> <b>tive Suspen</b> ension/cance <b>ensions for</b> of all susper for each yea m the driving erator is eligi-	e premium, llowed. ned applies ect the ratir jes. cord with n/Lapse idence can b an two week ion of deme nsion/Came ellation/laps than those d sions withir r (or partial g record (mini- ble for drivi	a maximum of to all coverage of the Liabil <b>a Licence</b> be one of two licence suspen (s resulting fro rit points. <b>cellation/</b> e for one year outlined in iter outlined in iter outlined in iter outlined in iter of the last 5 yea year) of aximum Drivir	e. A lity, sion om a <del>or</del> <del>n A.</del> ars, ng	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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<ol> <li>Principal operator is eligible for driving record 4. Has 6 month suspension for demerit points. Now qualifies for driving record 3.</li> <li>Principal operator is eligible for driving record 4. Has been reinstated May 1, 2015 after an 18 month suspension for convictions. Policy is effective June 1, 2015. Now qualifies for Driving Record 2.</li> <li>Driver is newly licenced at Level II and has had a licence suspension while at Level I. Risk qualifies for Driving Record 0.</li> </ol>	<ul> <li>Example 2</li> <li>Principal operator is eligible for driving record 4. Has been reinstated May 1, 2015 after an 18 month suspension for convictions. Policy is effective June 1, 2015. Now qualifies for Driving Record 2.</li> <li>Example 3</li> <li>Criver is newly licenced at Level II and has had a licence suspension while at Level I. Risk qualifies for Driving Record 0.</li> </ul>	FA aims to harmonize across all jurisdictions	This will not impact premiums
	<ul> <li>B. With administrative suspensions/ cancellation/ lapse:</li> <li>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.</li> <li>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.</li> <li><i>Examples:</i> <ol> <li>Risk is eligible for Driving Record 4. One operator has 10 month suspension for unpaid fines. Now qualifies for Driving Record 4.</li> <li>Risk is eligible for Driving Record 4. One operator has 24 month suspension for unpaid fines. Now qualifies for Driving Record 2.</li> </ol> </li> <li>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.</li> <li>An operator with a licence suspension is not eligible for a driver training discount or new driver credit.</li> </ul>	<ul> <li>B. Administrative Suspension/Cancellation/ Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A.</li> <li>B. With administrative suspensions/ cancellation/ lapse: <ul> <li>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.</li> <li>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.</li> </ul> </li> <li>Examples 1 <ul> <li>Risk is eligible for Driving Record 4. One operator has 10 month suspension for unpaid fines. Now qualifies for Driving Record 4.</li> </ul> </li> <li>Example 2 <ul> <li>Risk is eligible for Driving Record 4. One operator has 24 month suspension for unpaid fines. Now qualifies for Driving Record 2.</li> </ul> </li> <li>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.</li> </ul>		

Rule		Current	Wording			Approve	ed Wording	I	Change from Current	Premium impact on existing policies
	to July 1. The Programme or licence is cons months (Janua Regardless of	erlock Progra hsion shall be s suspended as entered. Licence was s driver entered h March 1. Th sidered to hav ary 1 to Marc the period du arner's Licence ecord 0 until	calculated to the date suspended f ed the Interl te total time ve been sus h 1) not 6 r uring which te`, the risk	from the date the Interlock from January 1 ock the driver's pended is 2 nonths. an operator will qualify for	licence was su Programme w For example: July 1. The dr March 1. The to have been March 1) not Regardless of held a Learne	erlock Progra hsion shall be uspended to t as entered. Licence was iver entered f total time the suspended is 5 months. the period du r's Licence '	e calculated the date the suspended f the Interlocl e driver's lic 2 months ( uring which the risk will	from the date th Interlock rom January 1 t < Programme on ence is considere	jurisdictions	This will not impact premiums
	Years Licenced	Learner's Permit	Valid or Regular no DTC	Valid or Regular with DTC	Years Licenced	<del>Learner's</del> <del>Permit</del>	Valid or Regular no DTC	<del>Valid or</del> <del>Regular</del> <del>with DTC</del>		
	Less than 1	0	0	3	T (1 1	0				
	1 year	0	1	3	Less than 1	0	0	3		
	2 years	0	2	3	1 year	0 0	1 2	3 3		
	3 years	0	3	3	2 years	0	3	3		
	4 years	0	4*	4*	3 years	-	<del>3</del> 4*	<del>3</del> 4*		
	5 years	0	5*	5*	4 years 5 years	<del>0</del> 0	<u>5*</u>	<u>5*</u>		
	A chargeable a Liability, DCPE <b>2. Valid Open</b> A valid licence A Learner's Pe where there is as a valid open the accumulat The operator of requirements is operated. For purposes of motorcycle mu	D and Collisio rator's Licer to drive the ermit/Licence G Graduated L rator's licence ion of experi- of a Moped m of the jurisdi- of policy issue	n coverages type of veh or Level Or icensing wi e except as ence. bust meet th ction in whice ance, the op	icle concerned. The licence Il be regarded it pertains to the licence ch the vehicle	Learner's Peri there is Gradu operator's lice accumulation The operator	and Collisio rator's Licer to drive the nit/Licence of lated Licensir nce except a of experience of a Moped m	n coverages type of veh r Level One ng will be re s it pertains e. nust meet th	icle concerned. A licence where garded as a valie to the		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<ul> <li>Where the operator fails to have the proper class of licence, the policy will be issued at Driving Record 0. If evidence of the correct class of licence is not provided to the Servicing Carrier within 30 days, the policy will be cancelled by registered letter.</li> <li><b>3. New Drivers</b></li> <li>Where the applicant, actual owner or operator holds only a Learner's Licence/Permit or Level One Licence the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. Refer to Rule 409:B.1.</li> <li>Accumulation of experience begins only when a permanent licence (Level 2) is obtained. A newly licensed driver will qualify for only Driving Record 0 for the first year. 'Newly licensed' does not include Learner's Licence/ Permit or Level One Licence.</li> <li>A licensed (Level 2 or 3 for graduated licensing) new driver with Driver Training shall be rated at Driving Record 3, provided that the driver has no at fault accidents or no licence suspensions at the commencement of the period of insurance.</li> <li><b>4. Driver Training</b></li> <li>Successful completion of the Motorcycle Driver Training Program approved by the Canada Safety Council or any training program approved by the canada Safety council or any training program approved by the program also has the authority to issue motorcycle licences.</li> </ul>	For purposes of policy issuance, the operator of a motorcycle must possess a valid driver's licence. Where the operator fails to have the proper class of licence, the policy will be issued at Driving Record 0. If evidence of the correct class of licence is not provided to the Servicing Carrier within 30 days, the policy will be cancelled by registered letter. <b>4. New Drivers</b> Where the applicant, actual owner or operator holds only a Learner's Licence/Permit or Level One Licence the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. Refer to Rule 409:B.1. Accumulation of experience begins only when a permanent licence (Level 2) is obtained. A newly licensed driver will qualify for only Driving Record 0 for the first year. 'Newly licensed' does not include Learner's Licence/ Permit or Level One Licence. A licensed (Level 2 or 3 for graduated licensing) new driver with Driver Training shall be rated at Driving Record 3, provided that the driver has no at fault accidents or no licence suspensions at the commencement of the period of insurance. <b>5. Driver Training</b> Successful completion of the Motorcycle Driver Training Program approved by the Canada Safety Council or any training program approved by the appropriate Ministry of Transportation where the program also has the authority to issue motorcycle licences.		
Rule 409.C.4 Motorcycles & Mopeds C. Rating Notes – Optional Physical Damage	<ul> <li>4. Motorcycles 750 cc and over</li> <li>Comprehensive/Specified Perils coverage may not be provided unless:</li> <li>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.</li> </ul>	<ul> <li>4. Motorcycles 750 cc and over At the Servicing Carrier discretion, the following may be required to apply Comprehensive /Specified Perils coverage may not be provided unless:</li> <li>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</li> </ul>	This is not industry practice and does not been found to be of any usefulness to the underwriting process.	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	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. 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.	agreement must confirm the vehicle's year, make, model, serial number and purchase price. OR 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. OR 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.	Changes the requirement for a motorcycle inspection to the discretion of the Servicing carrier.	This will not impact premiums
Rule 416.E.a & c Policy Changes Deletions of Vehicles and Coverages	<ul> <li>E. Deletions of Vehicles and Coverages <ul> <li>a) If the request for deletion is received by the Agent/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.</li> <li>For example: 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</li> </ul> </li> </ul>	<ul> <li>E. Deletions of Vehicles and Coverages <ul> <li>a) If the request for deletion is received by the Agent/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.</li> </ul> </li> <li>For example: 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</li> </ul>	To bring FA inline with industry practice	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	p.m. on September 5, the Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. on September 6.	delete the vehicle/coverage effective 12:01 a.m. on September 6.	To bring FA inline with industry	This will not impact premiums
	<ul> <li>b) If the request for deletion is received by the Agent/Broker (or Servicing Carrier if received directly from Insured) more than 30 days after the date the deletion was requested to be effected, the deletion will take effect at 12:01 a.m. on the date that the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> </ul>	<ul> <li>b) If the request for deletion is received by the Agent/Broker (or Servicing Carrier if received directly from Insured) more than 30 days after the date the deletion was requested to be effected, the deletion will take effect at 12:01 a.m. on the date that the deletion request is received by the Agent/Broker (or Servicing Carrier if received directly from Insured).</li> </ul>	practice	prennanis
	For example: The Insured requests deletion of a vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. October 10.	<i>For example:</i> The Insured requests deletion of a vehicle/coverage to be effective September 5. The deletion request is received by the Agent/Broker on October 10. The Servicing Carrier will delete the vehicle/coverage effective 12:01 a.m. October 10.		
	<b>Note for a) and b)</b> If the date the request was received by the Agent/Broker is not evident, the Agent/ Broker will be asked to provide proof of the date received acceptable to the Servicing Carrier. If proof cannot be provided, the request will be processed effective 12:01 a.m. on the date received by the Servicing Carrier.	<b>Note for a) and b)</b> If the date the request was received by the Agent/Broker is not evident, the Agent/ Broker will be asked to provide proof of the date received acceptable to the Servicing Carrier. If proof cannot be provided, the request will be processed effective 12:01 a.m. on the date received by the Servicing Carrier.		
	c) In the event that the <b>vehicle has been sold</b> , 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.	c) In the event that the <b>vehicle has been sold</b> , 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. <del>regardless of what that date might be.</del>		
	<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.	<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.		

Rule	Cı	irrent Wording		Approved	d Wording	Change from Current	Premium impact on existing policies
Rule 442 Endorsements Applicable to POL 1 13C	13C       Deletion of Glass Coverage         Amends the Comprehens ive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Motor Homes and "Light" Commercial Vehicles (excluding	13C	Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass 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) 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 \$1000 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.	As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change. FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions.	This will not impact premiums
GARAGE SEC Rule 602.B.1	<b>B. Completing the</b> When underwriting	Application a garage policy, the following is	When u		ation e policy, the following is	To bring FA in line with	This will not impact
Application B. Completing the Application	Standard Garage Ap attached to a currer (APP 1) form which address and the dat APP 1 must also be applicant. Under no shown as effective p completion of the ap coverage may not b date the application	d and signed current approved oplication Form. This must be at approved Standard Application shows the applicant's name and e and time coverage was bound. signed and dated by the circumstances may coverage be prior to the date and time of oplication form; therefore, e bound as of 12:01 a.m. on the is signed. If there is any other n respect of the risk, binding shall	Standar attached (APP 1) address evidence 1 must no circu prior to applicat as of 12	ly completed and sig d Garage Application <del>d to a current approv</del> form-which showing -and the date and tin ed by the Application also be signed and d mstances may cover the date and time of ion form; therefore, t:01 a.m. on the date	gned current approved n Form. This must be ved Standard Application the applicant's name and me coverage was bound, as n signed by the Insured. APP lated by the applicant. Under rage be shown as effective f completion of the coverage may not be bound e the application is signed. If in force in respect of the	industry practices.	premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	not be made effective before the expiry of that other insurance.	risk, binding shall not be made effective before the expiry of that other insurance.		
Rule 602.D New Policies Item 3 of the Application	<b>D. Item 3 of the Application</b> 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.	<b>D. Item 3 of the Application</b> Specify the principal business e.g. Automobile Dealer, as well as 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.	The Plate Number will now be added on Item 3, which will eliminate the need for Plate Searches.	This will not impact premiums
Rule 611.A Renewals A. Renewal processing	<ul> <li>A. Renewal processing</li> <li>If the renewal involves a vehicle for which proof of insurance has been filed or is required, refer to Rule 608: Proof of Insurance.</li> <li>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 issue the renewal policy before the insurance expires.</li> </ul>	<ul> <li>A. Renewal processing</li> <li>If the renewal involves a vehicle for which proof of insurance has been filed or is required, refer to Rule 608: Proof of Insurance.</li> <li>Every 2<sup>nd</sup> renewal, pPrior 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 between Garage Supplement requests.</li> </ul>	This is to reduce the number of times the Servicing Carrier needs to request a Garage Supplement.	This will not impact premiums
Rule 614.C Inspection Reports	<b>C. Inspection Reports</b> An underwriting report (Sentinel, Equifax, IAO etc.) must be ordered by the Servicing Carrier on every new garage risk. If the information in 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.	<b>C. Inspection Reports</b> An underwriting report (Sentinel, Equifax, IAO etc.) must be ordered <del>by</del> at the Servicing Carrier's discretion on <del>every</del> new garage risk. If the information in 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.	Changing rule to be at the Servicing Carriers discretion.	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
		If the information received is different from than 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.		
Rule 614.D Vehicle Plate Search Report	<ul> <li>D. Vehicle Plate Search Report         In some jurisdictions it is possible to order a report which provides a list of all vehicle plates belonging to an 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. Where available this report must be ordered by the Servicing Carrier on every new garage risk and at each renewal.     </li> <li>NOTE:</li> <li>Where it is possible to order both an inspection report and a vehicle plate search report, the vehicle plate search report must be ordered. It is not necessary to order both. In those circumstances where both reports may be ordered.</li> <li>If the information received in the Inspection Report or Vehicle Plate Search Report 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.</li> </ul>	**REMOVED** **REMOVED**	Rule Deleted as Plates will now be sown on the Application and if not shown will not be covered Rule Deleted as Plates will now be sown on the Application and if not shown will not be covered	This will not impact premiums This will not impact premiums
Rule 629	Tow Trucks Incidental To An Automobile Dealer Operation	Tow Trucks Incidental To An Automobile Dealer Operation	FA aims to harmonize	This may impact
Tow Trucks	<b>Use Pol 4 Only</b> Because END No. 71 is not applied to risks rated as Auto Dealers, coverage for tow trucks is included on the POL. 4.	<b>Use Pol 4 Only</b> Because END No. 71 is not applied to risks rated as Auto Dealers, coverage for tow trucks is included on the POL. 4.	all jurisdiction upon reviewed DCPD needed to be	premium

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<ul> <li>Charge Class 43 + 50% for Liability and Class 43 for all other coverage for each tow truck regardless of the radius of operations within the same province and add the premium to the basic garage premium.</li> <li>For Legal Liability for Customer Autos for Collision and Specified Perils, calculate the rate as indicated below for each tow truck and include under the basic garage premium.</li> <li><b>Tow Trucks Incidental to All Other Garage Operations</b> These vehicles must be insured on POL 1, as owned autos are excluded. Legal Liability for Customer Automobiles, must be provided by means of POL 4. It is recommended that both POL 1 and POL 4 be placed with the same Insurer to protect the Insured in the event of a claim dispute and that the Liability limits be the same on both policies. <b>For each tow truck</b> POL 1 - Charge Class 43 + 50% for Liability and Class 43 for all other coverage regardless of the radius of operations within the same province. The driving record is determined in the Commercial Section of the manual. POL 4 - Charge the staff unit rate for Liability, DCPD, Accident Benefits and Uninsured Automobile according to the type of garage operation (Repair, Service Station, Storage Garage). If the garage operation is other than a Repair, Service Station or Storage Garage, charge Storage Garage rates or Service Station rates if the Insured does not store vehicles.</li></ul>	Charge Class 43 + 50% for Liability and DCPD and Class 43 for all other coverage for each tow truck regardless of the radius of operations within the same province and add the premium to the basic garage premium. For Legal Liability for Customer Autos for Collision and Specified Perils, calculate the rate as indicated below for each tow truck and include under the basic garage premium. <b>Tow Trucks Incidental to All Other Garage</b> <b>Operations</b> These vehicles must be insured on POL 1, as owned autos are excluded. Legal Liability for Customer Automobiles, must be provided by means of POL 4. It is recommended that both POL 1 and POL 4 be placed with the same Insurer to protect the Insured in the event of a claim dispute and that the Liability limits be the same on both policies. <b>For each tow truck</b> POL 1 - Charge Class 43 + 50% for Liability and DCPD and Class 43 for all other coverage regardless of the radius of operations within the same province. The driving record is determined in the Commercial Section of the manual. POL 4 - Charge the staff unit rate for Liability, DCPD, Accident Benefits and Uninsured Automobile according to the type of garage operation (Repair, Service Station, Storage Garage). If the garage operation is other than a Repair, Service Station or Storage Garage, charge Storage Garage rates or Service Station rates if the Insured does not store vehicles.	FA aims to harmonize all jurisdiction upon reviewed DCPD needed to be inserted into this rule	This may impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
DRIVER'S PC	LICY SECTION			
Rule 704.A.3 Binding Coverage – New Policies A. Requirements/P rocedures 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.	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.	To bring FA inline with industry practice	This will not impact premiums
	<ul> <li>For example:</li> <li>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.</li> <li>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.</li> </ul>	<ul> <li>For example:</li> <li>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</li> <li>1. However, the coverage is in effect as of 1:00 p.m. on June 1.</li> <li>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.</li> </ul>		
	SECTION			
NON OWNED Rule 803.A.3 Binding Coverage – New Policies A. Requirements/P rocedures for binding new policies	<ul> <li>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.</li> </ul>	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.	To bring FA inline with industry practice	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	<ul> <li>For example:</li> <li>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.</li> <li>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.</li> </ul>	<ul> <li>For example:</li> <li>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</li> <li>1. However, the coverage is in effect as of 1:00 p.m. on June 1.</li> <li>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.</li> </ul>		
Rule 812.F Minimum Premium / Minimum Retain Premium	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.	F. Minimum Premium / Minimum Retained Premium The minimum premium for POL 6 (Non-Owned Automobile Policy), shall be <del>\$250</del> \$400 and the minimum retained premium, in the event of cancellation, shall be <del>\$250</del> \$400.	Increases minimum policy premium and minimum retained premium.	This may impact premiums





# Manual of Rules and Rates NEWFOUNDLAND & LABRADOR

# 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 Newfoundland & Labrador:

- 2023 Private Passegner CLEAR Rate Group Tables now having an amended range of 1-12 for Accident Benefits rate groups;
- 2023 Commercial Rate Group Tables (Tables I and II).

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

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