



Manual of Rules and Rates NEWFOUNDLAND & LABRADOR

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

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

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

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

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

Approved Wording

Change

Premium

Current Wording

Rule

		The second second	from Current	impact on existing policies
PRIVATE PAS	SENGER SECTION			
Table of Contents	Rule 138: U.S. Exposure Surcharge A. U.S. Exposure Surcharge B. Currency Differential Surcharge	Rule 138: Outside Province Exposure A.U.S. Exposure Surcharge B. Currency Differential Surcharge	Name change update	This will not impact premiums
Rule 111: Rating Class	Notes: Class 05 1. The vehicle is first rated as if there are no occasional drivers licensed less than 9 years in Canada or the U.S.; premium is then charged for such occasional drivers by adding the Liability, DCPD and Collision premium for Class 05. It is not permissible to issue a policy solely at Class 05 rates. 2. The Liability limit and Collision deductible for Classes 05 drivers must be identical to the limit and deductible provided for the vehicle	Notes: Class 05 1. The vehicle is first rated as if there are no occasional drivers licensed less than 9 years in Canada or the U.S.; Premium is then charged for such occasional drivers by adding the Liability, DCPD and Collision premium coverage for Class 05. It is not permissible to issue a policy solely at Class 05 rates. 2. The Liability limit and Collision deductible for Classes 05 drivers must be identical to the limit and deductible provided for the vehicle.	FA manual update to align wordings across jurisdictions	This will not impact premium
Rule 113: Driving Record B. Driving Record Entitlement	Notes: 1. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages. 11. Tourist or Temporary Resident A. If the principal operator is a non-resident of Canada touring North America, the remarks section of the application must indicate: 1) that the principal operator is a non-resident; 2) the country where the principal operator normally resides; 3) the anticipated length and purpose of the visit If touring, the remarks section must indicate the anticipated itinerary – Refer to Rules 138 U.S. Exposure Surcharge and 144 Vehicles Used Outside Jurisdiction of Registration.	Notes: 1. The driving record established applies to all coverages for which a driving record is a factor. There is no split rating. A chargeable accident will affect the rating of the Liability, DCPD (Not available in Northwest Territories, Nunavut and Yukon) and Collision coverages. 11. Tourist or Temporary Resident A. If the principal operator is a non-resident of Canada touring North America, the remarks section of the application must indicate: 1) that the principal operator is a non-resident; 2) the country where the principal operator normally resides; 3) the anticipated length and purpose of the visit If touring, the remarks section must indicate the anticipated itinerary – Refer to Rules 138 U.S. Exposure Surcharge and 144 Vehicles — Used Outside Jurisdiction of Registration.	Upon a review of FA rule there needs to be an updated to align with current rate pages FA aims to remove names of rules for simplify the wordings across all jurisdictions	This will not impact premiums

Rule	Current W	Vording	Approved	d Wording	Change from Current	Premium impact on existing policies
Rule 131: Time on Risk D. Short Term Tables	3. The tables below apply to Ca is use outside Canada during a indicates the charges as "Nil" t premium charged for that mon annual premium. The surcharg applicable, except where the vuse only and proof of insurance	month where the table here shall be an additional th equal to pro-rata of the e for U.S. exposure is ehicle is used for personal	the charges as "Nil" there shal charged for that month equal to premium. The surcharge for O including U.S. exposure is app	nonth where the table indicates I be an additional premium to pro-rata of the annual utside of Province/Territory	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 136.C Accident / Conviction	C. Accident/Conviction Surc Maximum surcharge to be a		C. Accident/Conviction Sure Maximum surcharge to be a		To harmonize with all other	This may impact premium
Surcharge Table	Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	jurisdictions,	
	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	0% 30% 10% 25% 25% 5% 15% 15% 25% 10%	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	20% 30% 15% 25% 25% 5% 15% 100% 100%	In Nfld., some voluntary markets now charge 100% for a criminal code/serious conviction.	

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 138:	U.S. Exposure Surcharge	Outside Province Exposure Surcharge	Currency	This will
1	A. U.S. Exposure Surcharge	A. Outside Province Exposure Surcharge	differential	impact
U.S. Exposure Surcharge	Any vehicle that is operated in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used	Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to the U.S. exposure a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required and/or where the vehicles are used for business, commercial purposes or are carrying passengers. The surcharge does not apply where the vehicle is used for	surcharge will be discontinued as FA is working towards modernizatio	premiums
	for personal use only and proof of insurance is not required.	personal use only and proof of insurance is not required.	n and simplify its	
	The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used in the U.S.	The insured must advise the Agent/Broker the percentage of total mileage that the vehicle will be used Outside	rating	
	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44.	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44.		
	NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask insureds whether or not proof of insurance must be filed and, if so, in what amount.	NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask insureds whether or not proof of insurance must be filed and, if so, in what amount.		
		Liability, Accident Benefits, Uninsured Automobile, DCPD, END 44 If this exposure is 5.0% or less or total mileage in the U.S. or applicable Canadian jurisdiction, a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile, DCPD and END 44		
	For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.	For each percentage point If this exposure of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.		

Approved Wording

Change

Premium

Current Wording

Rule

Kule	Guite	in wording	App	Toved Wording	from Current	impact on existing policies
Rule 138:	For example:		For example:		Currency	This will
U.S. Exposure	U.S. Exposure	Applicable Surcharge	Outside Province Exposure	Applicable Surcharge	differential surcharge	impact premiums
Surcharge	5% or less and proof of insurance required	5%	Up to 5% or less and proof of insurance	5%	will be discontinued	
	10%	10%	required		as FA is	
	25%	25%	10%	10%	working	
	50%	50%	25%	25%	towards	
		_	50%	50%	modernizatio n and	
	Optional Physical Dama For each percentage point		Optional Physical Dam	age It of total mileage in the U.S. o	simplify its rating	
	other applicable jurisdiction applicable premium. For example:			n jurisdiction, surcharge .50% (
	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge		
	6%	3%	Exposure			
I	10%	5%	6%	3%		
1	25%	12.5%	10%	5%		
1	50%	25%	25%	12.5%		
I		<u>. </u>	50%	25%		
	the Liability premium to pr	ce is required by U.S. erential surcharge is added to	currency differential surcl	nnce is required by U.S. authori harge is added to the Liability ne potential additional loss aris		
	charged for the U.S. dollar date the premium is calcul policy issuance. The Service	the rate of exchange being t, to the nearest cent, as at the ated by the Servicing Carrier for cing Carrier shall use the Bank in the previous published day.	charged for the U.S. dolla the premium is calculated	is the rate of exchange being ar, to the nearest cent, as at th I by the Servicing Carrier for po Carrier shall use the Bank of Ca vious published day.	olicy	
	The surcharge percenta the following formula:	ge is calculated by means of	The surcharge percent following formula:	age is calculated by means	of the	
	Currency differential x L For example:	J.S. exposure surcharge	Gurrency differential x For example:	U.S. exposure surcharge the U.S. dollar is 1.3085 Canad ifferential is 0.31.	dian.	

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 138: U.S. Exposure Surcharge	The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard), not DCPD 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75% The Gurrency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard), not DCPD 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is \$250 and the dollar value of the U.S. exposure surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	Currency differential surcharge will be discontinued as FA is working towards modernizatio n and simplify its rating	This will impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 144: Vehicles Used Outside Jurisdiction of Registration	 When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must 	 When a vehicle is registered in one jurisdiction but garaged or chiefly used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
	 be used. 3. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 4. See Rule 138: U.S. Exposure Surcharge to determine 	3. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 2. See Rule 138: U.S. Exposure Surcharge to determine		
	 surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 	 surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 		
	6. If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles.7. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle	6. If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 7. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 144: Vehicles Used Outside Jurisdiction of Registration	is used in more than one region of Canada, it is to be rated as if used in the highest rated region.	3. If the vehicle is operated outside the jurisdiction which it is, registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 138 to determine the surcharges applicable . NOTE: At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. Region 1 — Atlantic Provinces	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
	Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4	Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4		
Rule 145: Purchasing Vehicles in Jurisdictions Where FA Does Not Operate	Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% U.S. Exposure Surcharge applies.	Premium Calculation The premium is to be calculated in accordance with Short Term tables subject to minimum premium. Private passenger vehicles are to be rated class 01 using the appropriate driving record. There is no surcharge for Outside Province/Territory including U.S. exposure. The territory to be used is the territory where the insured resides. Commercial vehicles classified as light are to be rated class 36. Commercial vehicles classified as heavy are to be rated class 44. Driving record is 0. 100% Outside Province /Territory Exposure Surcharge applies.	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums

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

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

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	 Experience rating includes the following: All losses (At-Fault and Not-at-fault) are always taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer; Claims falling within a specific deductible not offered by FA e.g. on an occurrence basis regardless of the coverage involved in the loss; Amounts above FA deductibles when the prior Insurer had higher deductibles; Losses falling within any special agreements with the prior Insurer. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added 	 Experience rating includes the following: All losses (At-Fault and Not-at-fault) are always taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim; Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer; Claims falling within a specific deductible not offered by FA e.g. on an occurrence basis regardless of the coverage involved in the loss; Amounts above FA deductibles when the prior Insurer had higher deductibles; Losses falling within any special agreements with the prior Insurer. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. Fleets are to be written on a specified vehicle basis not on a blanket or receipts basis, therefore the use of END 21A and 21B is not permitted. If a risk insured through FA meets the definition of a fleet, any vehicles added to the policy will be experience rated. The policy including any subsequent renewals will remain experience rated until the risk no longer meets the definition of fleet. Where a new fleet is being submitted to FA and there is no verification of which claims involved which vehicles, the FA formula shall take into account the claims that occurred on all vehicles. It is the responsibility of the Agent/Broker/Insured to provide the claim history documentation for the vehicles to be insured through FA. If vehicles being added to a fleet insured through FA were previously on another fleet with the same common ownership or management as the FA fleet, these added vehicles are 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149:	vehicles are subject to experience rating as outlined in	subject to experience rating as outlined in Rule 333:B. Fleet	FA aims to	This will
Fleets	Rule 333:B. Fleet Rating.	Rating.	harmonize	not impact
rieets	Midterm Rating	Midterm Rating	the wordings across all	premiums
	Midterm rating is not permissible for changes that occur	Midterm rating is not permissible for changes that occur (i.e.	sections and	
	(i.e. revision of claim reserves) during the policy term	revision of claim reserves) during the policy term merely	jurisdictions	
	merely because of the lapse of time.	because of the lapse of time.	for the fleet	
			rating of risk	
	If it is discovered during a policy term that a risk is a fleet	If it is discovered during a policy term that a risk is a fleet it		
	it shall be experience rated at the time of next renewal. If	shall be experience rated at the time of next renewal. If more		
	more than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the	than one policy qualifies for fleet rating, the fleet policy shall be issued effective the renewal date of the earliest expiring		
	earliest expiring policy, based on the information for all	policy, based on the information for all vehicles. The		
	vehicles. The remaining vehicles shall be added to the	remaining vehicles shall be added to the fleet at the expiry		
	fleet at the expiry date of their policies.	date of their policies.		
	If the income is unit to be been an Complete.	If the income is unitten by more than an Comising		
	If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to	If the insurance is written by more than one Servicing Carrier, each policy upon expiry shall be subject to		
	experience rating and shall be insured to the common	experience rating and shall be insured to the common expiry		
	expiry date.	date.		
	Optional Physical Damage Coverage	Optional Physical Damage Coverage		
	Vehicles may not be covered for Comprehensive/Specified	Vehicles may not be covered for Comprehensive/Specified		
	Perils only.	Perils only.		
	The Collision portion of All Perils and Collision coverage	The Collision portion of All Perils and Collision coverage shall		
	shall be regarded as the same coverage for the purposes	be regarded as the same coverage for the purposes of		
	of determining the number of months of coverage,	determining the number of months of coverage, similarly, the		
	similarly, the portion of All Perils and, Comprehensive and	portion of All Perils and, Comprehensive and Specified Perils		
	Specified Perils shall be regarded as the same coverage.	shall be regarded as the same coverage.		
	Where Collision claims that have occurred in the past	Where Collision claims that have occurred in the past three		
	three years cannot be allocated to specific vehicles, the	years cannot be allocated to specific vehicles, the claims shall		
	claims shall be assigned to the highest rated vehicles, one	be assigned to the highest rated vehicles, one to each in		
	to each in descending order.	descending order.		
	C. Loss Information	O Lass Information		
	Any reserve change for a loss in any previous term shall	C. Loss Information Any reserve change for a loss in any previous term shall be		
	be added to the incurred losses of the policy term in which	added to the incurred losses of the policy term in which the		
	the reserve was changed.	reserve was changed.		
		9		
	For example: The new policy term will be May 1, 1999 to	For example: The new policy term will be May 1, 1999 to May		
	May 1, 2000. The insured had 2 losses between May 1,	1, 2000. The insured had 2 losses between May 1, 1998 and		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Fleets be 11 th	298 and May 1, 1999. The insured had 2 losses between ay 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 296 there was a \$20,000 reserve increase on a claim at occurred in 1994. When listing the losses that courred in the 2nd Prior Year (25-36 months) on the automobile Fleet Schedule, the \$20,000 reserve must be intered.	May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
a) b) c) d) e) 2 If Co. da is le a TI	The application form fully completed and signed. Under vehicle items show "Fleet Policy". Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. Fleet Rating Information Statement This form provides additional information about the risk.	 D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application		

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

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

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

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

Rule		Current Wording		Approved Wording	Change from Current	Premium impact on existing policies
Rule 212.B.	2. Excess Trailer	rs ————————————————————————————————————	2. Excess Trailers	•	FA aims to	This may
Rating of Trailers	If the number of trailers insured by a policy exceeds the number that could be used at any one time (including with any vehicles insured by other policies/insurers), the premium under Liability for the 'excess' trailers is reduced by 50%. If all trailers do not produce the same premium, the trailer(s) that would otherwise produce the lowest premium shall be considered excess.		number that could any vehicles insure under Liability for t all trailers do not p	ailers insured by a policy exceeds the be used at any one time (including with d by other policies/Insurers), the premium he 'excess' trailers is reduced by 50%. If roduce the same premium, the trailer(s) se produce the lowest premium shall be	harmonize the wordings across all jurisdictions	impact premium if the example is being used for rating
	For example: There are two tractors and four trailers. Two of the trailers produce premiums of \$500 each. The other two trailers produce premiums of \$700 each. The trailers that produce premiums of \$500 each will be considered excess and the Liability and DCPD premiums for each of those trailers will be reduced by 50%.		the trailers produce trailers produce pre produce premiums	e are two tractors and four trailers. Two of a premiums of \$500 each. The other two emiums of \$700 each. The trailers that of \$500 each will be considered excess of DCPD premium for each of those trailers 50%.		
Rule 215:E	_	remium with Outside Province /		emium with Outside Province /	Currency	This will
Premium Determination	Territory Exposure: Towing Vehicles Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1.			ual' premium for the required coverages ng steps outlined in Rule 215:E.1.	differential surcharge will be discontinued as FA is working	impact premiums
		Towing Vehicles		Towing Vehicles	towards	
	Coverage Liability	Description Calculate the Outside Province/Territory exposure surcharge for Liability and add to that the currency differential surcharge. Apply to the premium. Then apply any accident/conviction surcharge to the resulting premium.	Coverage Liability	Description Calculate the Outside Province/Territory exposure surcharge for Liability and add to that the currency differential surcharge. Apply to the premium. Then apply any accident/conviction surcharge to the resulting premium.	modernizing and simply its rating	
Rule 226.C		viction Surcharge Table		iction Surcharge Table	То	This may
Accident / Conviction Surcharge	major and minor of	arge to be applied for accidents, serious, convictions is 200%	major and minor co		harmonize with all other jurisdictions,	impact premiums
Table	Events in the programme 36 months		Events in the pred 36 month			

Rule	Curre	ent Wording	Appro	oved Wording	Change from Current	Premium impact on existing policies
Rule 226.C	Chargeable Accidents:		Chargeable Accidents:		In Nfld.,	This may
	2	0%	2	20%	some	impact
Accident /	3	30%	3	30%	voluntary	premiums
Conviction	Each additional	10%	Each additional	15%	markets now	p
Surcharge					charge	
Table	Major Convictions		Major Convictions		100% for a	
	1	25%	1	25%	criminal	
	Each additional	25%	Each additional	25%	code/serious	
					conviction.	
	Minor Convictions		Minor Convictions			
	2	5%	2	5%		
	3	15%	3	15%		
	4	25%	4	25%		
	Each additional	15%	Each additional	15%		
	Serious Convictions		Serious Convictions			
	1	50%	1	100%		
	Each additional	100%	Each additional	100%		
Rule 228: Outside Province		nat is operated in the U.S. is ure surcharge. (<i>Applicable to</i> and Ontario only).		at is operated in the U.S. is subject arge. (<i>Applicable to Newfoundland</i> ly).	Currency differential surcharge will be	This will impact premiums
Exposure		at is operated in the U.S., or tion, is subject to a surcharge	Any commercial or interurb U.S., or another Canadian surcharge (or discount).	oan vehicle that is operated in the jurisdiction, is subject to a	discontinued as FA is working towards	
	The surcharge does not apply where the vehicle is used for personal use only and proof of insurance is not required.			ply where the vehicle is used for of insurance is not required.	modernizing	
	Refer to Rule 200.D for a Underwriting documents t traveling outside of the juincluding into the U.S.	hat may be required on vehicles	documents that may be red	ist of Supplementary Underwriting quired on vehicles traveling outside ration, including into the U.S.		
		nas no prior insurance, refer to urance with Out-of-Province		as no prior insurance, refer to Rule with Out-of-Province including		
	outside of the Province/Te	red has not previously traveled erritory or into the U.S., the ritten with a 75% Out of	NOTE: If the Named Insur- outside of the Province/Ter vehicle(s) shall be underwr	•		

Rule	Cu	rrent Wording	Арр	roved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	A. U.S. Exposure Sure Vehicles) For Interurban vehice refer to Rule 228.C to surcharges. The percentage of U.S. on the International Furassessment reports from immediately preceding endorsement.	charge (excluding Interurban les (Class 61, 62, 63, 64, 99), be determine the applicable Exposure will be determined based let Tax Agreement (IFTA) m the last four (4) quarters the effective date of the policy or	A. Outside Province Ex Interurban Vehicles) For Interurban vehicle to Rule 228.C to detern The percentage of U.S. Eincluding the U.S. will be International Fuel Tax Ag from the last four (4) qualeffective date of the police	-	ng differential surcharge will be discontinued as FA is working towards modernizing and simply its rating eports the	
		loes not participate in IFTA, please Carrier for the documents required Ige of U.S. exposure.	contact your Servicing Ca	es not participate in IFTA, plea irrier for the documents requi f U.S. exposure outside the Pi	red to	
	must be asked whether filed and, if so, in what will be completed using	are operated in the U.S., Insureds or not proof of insurance must be amount. If eligible, U.S. Filings the minimum FMCSA required of carriage, commodity required.	must be asked whether o filed and, if so, in what and be completed using the <u>n</u>	e operated in the U.S., Insurer not proof of insurance must mount. If eligible, U.S. Filings inimum FMCSA required limiage, commodity transported	be s will iit	
	DCPD and END 44 If this exposure is 5.0% U.S., a 5% surcharge w	nefits, Uninsured Automobile, 6 or less of total mileage in the vill apply to Liability, Accident comobile, DCPD and END 44.	DCPD and END 44 If this exposure is 5.0% of applicable Canadian jurison	efits, Uninsured Automobil or less of total mileage in the diction, a 5% surcharge will a s, Uninsured Automobile, DCF	U.S. or pply to	
	If this exposure is over 5.0% of total mileage in the U.S., surcharge 1.5% of the applicable premium.			.0% of total mileage in the U. diction, surcharge 1.0% of the		
	For example:		For example:			
	U.S. Exposure	Applicable Surcharge	Outside Province Exposure	Applicable Surcharge		
	Up to 5%	5%	Up to 5%	5%		
	10%	15%	10%	10%		
	1070	1370	1070	1070		

Rule	Cu	urrent Wording		A	pproved Wording		Change from Current	Premium impact on existing policies
Rule 228:	25%	37.5%		25%	25%		Currency	This will
	50%	75%		50%	50%		differential	impact
Outside Province Exposure	Optional Physical Da For each percentage p surcharge .50% of the	oint of total mileage in the	e U.S.,		nmage Dint of total mileage in the l risdiction, surcharge .50% (surcharge will be discontinued as FA is working towards	premiums
	U.S. Exposure	Applicable		Outside Province	Applicable		modernizing	
	O.S. Exposure	Surcharge		Exposure	Surcharge		and simply	
	5%	2.5%		5%	2.5%	=	its rating	
	10%	5%		10%	5%	=		
	25%	12.5%		25%	12.5%			
	50%	25%		50%	25%			
		to provide for the potentia from the payment of a cla		from the payment of a	r the potential additional los claim in U.S. dollars.	s ansing		
		The currency differential is the rate of exchange being		3	al is the rate of exchange b	0		
		lollar, to the nearest cent,		3	ollar, to the nearest cent, as			
	·	is calculated by the Servicance. The Servicing Carrier	0	·	is calculated by the Servicir nce. The Servicing Carrier s	0		
		da closing rate from the pr		. 3	a closing rate from the prev			
	published day.	ad closing rate from the pr	evious	published day.	a closing rate from the prev	1003		
	The surcharge percentage is calculated by means of the following formula:		, ·	ntage is calculated by m	eans of the			
	the following formu	la:		lonowing formula.				
		la: Il x Percentage of U.S. E	Exposure		l x Percentage of U.S. Ex	oosure		
			Exposure		I x Percentage of U.S. Ех	oosure		
	Currency differentia For example: The rate of exchange in	Il x Percentage of U.S. E	35	Currency differential	I x Percentage of U.S. Exportage of U.S. Exportage of U.S. dollar is 1.3085			
	Currency differentia For example: The rate of exchange in	II x Percentage of U.S. E	35	Currency differential	or the U.S. dollar is 1.3085			
	Currency differentia For example: The rate of exchange in	Il x Percentage of U.S. E for the U.S. dollar is 1.308 he currency differential is	35	Gurrency differential For example: The rate of exchange f	or the U.S. dollar is 1.3085 differential is 0.31.			
	Currency differentia For example: The rate of exchange to Canadian. Therefore the	of x Percentage of U.S. Enfor the U.S. dollar is 1.308 the currency differential is 5. exposure is 25%.	35	Gurrency differential For example: The rate of exchange f Therefore the currency	or the U.S. dollar is 1.3085 differential is 0.31. exposure is 25%.			

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	1. Applied only to the Liability premium, not DCPD. 2. Not subject to a minimum surcharge 3. This surcharge is additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 The percentage of U.S. Exposure is: 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure (\$1,000 x 0.25) \$250 Currency Differential *\$1,000 x 0.00775) \$78 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the Currency Differential Surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$250 and the dollar value of the Currency Differential Surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles) Step 1: Determine the Canadian Out of Province Exposure. The Canadian Out of Province exposure is determined by how often the vehicle travels outside the jurisdiction of registration within Canada.	1. Applied only to the Liability premium, not DCPD. 2. Not subject to a minimum surcharge 3. This surcharge is additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 The percentage of U.S. Exposure is: 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure (\$1,000 x 0.25) \$250 Currency Differential *\$1,000 x 0.00775) \$79 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filling proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the Currency Differential Surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. B. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles) Step 1: Determine the Canadian Out of Province Exposure. The Canadian Out of Province exposure is determined by how often the vehicle travels outside the jurisdiction of registration within Canada.	FA aims to harmonize and simplify the wording across all jurisdictions	This will impact premiums

Rule	Current Wording	Арі	proved Wording		Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	 a) If Canadian Out of Province Exposure (Operating outside Atlantic Provinces and Quebec) is 50% or less: Where an Interurban vehicle is registered in Newfoundland & Labrador and reports 50% or less of its total Canadian mileage traveling outside the Atlantic Provinces (New Brunswick, Newfoundland & Labrador, Nova Scotia, Prince Edward Island) and Quebec, no additional surcharge is applicable. 	a) If Canadian Out of Province Exposure (Operating outside Atlantic Provinces and Quebec) is 50% or less: Where an Interurban vehicle is registered in Newfoundland & Labrador and reports 50% or less of its total Canadian mileage traveling outside the Atlantic Provinces (New Brunswick, Newfoundland & Labrador, Nova Scotia, Prince Edward Island) and Quebec, surcharge 1% per percentage (%) of exposure applies to the total Canadian mileage. ne additional surcharge is applicable. Example Canadian Out of Applicable Canadian		or less: dland & a n New rince entage	FA aims to harmonize and simplify the wording across all jurisdictions	This will impact premiums
		Province Exposure 5% 10% 25% 50%	Mileage Surcharge 5% 10% 25% 50%			
Rule 239: Fleets	D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk. d) Any additional supplements such as drivers list, taxi questionnaire.	a) Facility Associa The application Under vehicle i b) Automobile Flee All vehicles incl insurance is rec c) Fleet Vehicle Co Must be comp vehicles insured d) Fleet Rating In Vehicle Supplet This form pro the risk.	 D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application		FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. The application is subject to the Facility Association fleet rating formula and the resulting premium may be Taxi questionnaire. 3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged. The application is subject to the Facility Association fleet rating formula and the resulting premium may be					

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 239: Fleets	substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium. See Rule 228: Outside Province/Territory. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 227.	substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium. See Rule 228: Outside Province/Territory. Exposure. The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 227.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
PUBLIC SECT	TION		l	
Table of Contents Rule 306:	Rule 325: U.S Exposure	Rule 325: Outside Province Exposure A. U.S.Exposure Surcharge For vehicles used in jurisdictions other than Newfoundland, refer to Rule 330 Vehicles Used Outside Jurisdiction of Registration and Rule 325 Outside U.S. Exposure surcharge.	Name change update Currency differential surcharge	This will not impact premiums This will impact premiums
Territory	surcharge. U.S exposure surcharge and currency differential surcharge are to be applied where required.	Outside Province/Territory including U.S. exposure surcharge and currency differential surcharge are to be applied where required.	will be discontinued	
Rule 308: Rating	 D. Premium Determination Ensure that the vehicle is a Public Vehicle. 1. Establish the rating territory 2. Establish the rating class, including any special factors. 3. Establish the driving record 4. Establish the rate group and minimum deductible. Refer to the rate page and the rate per vehicle, per seat or percentage of underlying class. 5. Develop the total premium for each coverage 6. Apply any required U.S. exposure and currency differential surcharge. 7. Apply fleet rating or any accident/conviction surcharge. 	 D. Premium Determination Ensure that the vehicle is a Public Vehicle. 1. Establish the rating territory 2. Establish the rating class, including any special factors. 3. Establish the driving record 4. Establish the rate group and minimum deductible. Refer to the rate page and the rate per vehicle, per seat or percentage of underlying class. 5. Develop the total premium for each coverage 6. Apply any required Outside Province/Territory including U.S. exposure and currency differential surcharge. 7. Apply fleet rating or any accident/conviction surcharge. 	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This will not impact premiums
Rule 309: Driving Record	Notes: 1. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages.	Notes: 1. The driving record established applies to all coverages for which a driving record is a factor. There is no split rating.	Upon a review of FA rule there	This will not impact premiums

is use outside Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium charged for that month equal to pro-rata of the annual premium. The surcharge for U.S. exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required. Rule 323.C Rule 323.C Is use outside Canada during a month where the table indicates the charges as "Nil" there shall be an additional premium the cha	Rule	Current V	Vording	Approve	ed Wording	Change from Current	Premium impact on existing policies
Time on Risk D. Short Term Tables Time on Risk D. Short Term Tables D. Short Term Tabl	Record			DCPD (Not available in Nor	rthwest Territories, Nunavut and	an updated to align with current rate	
Accident / Conviction Surcharge to be applied for accidents, serious, major and minor convictions is 200% Events in the preceding 36 months Chargeable Accidents: 2 0% 3 30% 2 20% markets now charge accidents and accidents and accidents are markets now color accidents and accidents. Events in the preceding 30% and accidents: Chargeable Accidents: 2 0% 3 30% 30% 30% and accidents and accidents are markets now charge accidents. Events in the preceding 36 months Chargeable Accidents: 2 0% 3 30% and accidents: 2 20% and accidents accidents and accidents are markets now charge accidents and accidents. Events in the preceding 36 months Chargeable Accidents: 2 20% and accidents accidents and accidents accidents. Events in the preceding 36 months Chargeable Accidents: 2 20% and accidents accidents accidents accident accid	Time on Risk D. Short Term	is use outside Canada during a indicates the charges as "Nil" t premium charged for that mor annual premium. The surcharg applicable, except where the v	month where the table here shall be an additional of the equal to pro-rata of the perfor U.S. exposure is ehicle is used for personal	use outside Canada during a r the charges as "Nil" there shal charged for that month equal premium. The surcharge for O including U.S exposure is appl is used for personal use only a	month where the table indicates Il be an additional premium to pro-rata of the annual Outside of Province/Territory licable, except where the vehicle	reference of U.S. exposure to Outside Province / Territory	This will impact premiums
Table Events in the preceding 36 months Surcharge 36 months	Accident / Conviction	Maxiumum surcharge to be ap	plied for accidents, serious,	Maximum surcharge to be a	applied for accidents, serious,	harmonize with all other	This may impact premiums
Chargeable Accidents: voluntary markets now charge 2 0% 3 30% charge Each additional 10% Each additional 15% 100% for a criminal code/serious convictions Major Convictions 1 25% 25% convictions Each additional 25% Each additional 25% Minor Convictions 2 5% 2 3 15% 3 15% 4 25% 4 25% Each additional 15% Each additional 15% Serious Convictions 5 5 4 25% Each additional 15% 5 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4 25% 4			Surcharge		Surcharge	In Nfld.,	
2 0% 3 30% 30% 6 6 6 6 6 6 6 6 6		Chargeable Accidents:		Chargeable Accidents:			
Each additional 10% Each additional 15% 100% for a criminal code/serious convictions 1 25% 25% 25% 25% 25% 25% 25% 25% 25% 25%		2		2			
Major Convictions criminal code/serious convictions 1		· ·				•	
Major Convictions code/serious convictions 1 25% 1 25% code/serious conviction. Each additional 25% Minor Convictions 2 5% 2 5% 3 15% 3 15% 4 25% 4 25% Each additional 15% Each additional 15% Serious Convictions 1 50% 1 100%		Each additional	10%	Each additional	15%		
1 25% 1 25% conviction. Each additional 25% Minor Convictions 2 5% 2 5% 3 15% 3 15% 4 25% 4 25% Each additional 15% Each additional 15% Serious Convictions 1 50% 1 100%		Major Convictions		Major Convictions			
Each additional 25% Each additional 25% Minor Convictions Minor Convictions 5% 2 5% 2 5% 3 15% 3 15% 4 25% 4 25% Each additional 15% Each additional 15% Serious Convictions 1 50% 1 100%		1	25%	1	25%		
2 5% 3 15% 3 15% 4 25% Each additional 15% Serious Convictions 1 50% 2 5% 3 15% 3 15% 4 25% Each additional 15% Each additional 15% Serious Convictions 1 100%		Each additional		Each additional			
3 15% 3 15% 4 25% 4 25% Each additional 15% Each additional 15% Serious Convictions 1 50% 1 100%		Minor Convictions		Minor Convictions			
4 25% Each additional 15% Serious Convictions 1 50% 4 25% Each additional 15% Serious Convictions 1 100%							
Each additional 15% Each additional 15% Serious Convictions 1 50% Serious Convictions 1 100%		3		3			
1 50% 1 100%		Each additional		Each additional			
		Serious Convictions		Serious Convictions			
Each additional 100% Each additional 100%		1		1			
		Each additional	100%	Each additional	100%		

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

Approved Wording

Change

Premium

Rule

Current Wording

Ruie	Curre	nt wording	Арр	rovea woraing		from Current	impact on existing policies
Rule 325:	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge		Currency	This will
U.S. Exposure	5% or less and proof of insurance required	5%	Exposure Up to 5% or less and	5%		differential surcharge	impact premiums
	10%	10%	proof of insurance			will be discontinued	
	25%	25%	required 10%	10%	-	as FA is	
	50%	50%	25%	25%	1	working	
	Optional Physical Dama	~~	50%	50%	_	towards modernizing	
	For example: U.S. Exposure 6%	Applicable Surcharge 3%	For each percentage poin other applicable Canadiar applicable premium. For example: Outside Province Exposure	t of total mileage in the U.S. in jurisdiction, surcharge .50% Applicable Surcharge	or 6 of the	its rating	
	10%	5%	6%	3%			
	25% 50%	12.5% 25%	10%	5%			
	B. Currency Differential		25%	12.5%			
	the Liability premium to pr additional loss arising from dollars. The currency differential is charged for the U.S. dollar	erential surcharge is added to covide for the potential in the payment of a claim in U.S. It the rate of exchange being to the nearest cent, as at the	currency differential surch premium to provide for the from the payment of a cla	nce is required by U.S. authonarge is added to the Liability ne potential additional loss ar	y		
	policy issuance. The Service of Canada closing rate from	ated by the Servicing Carrier for sing Carrier shall use the Bank in the previous published day. ge is calculated by means of J.S. exposure surcharge	charged for the U.S. dolla the premium is calculated issuance. The Servicing C closing rate from the prev	is the rate of exchange being or, to the nearest cent, as at the by the Servicing Carrier for carrier shall use the Bank of Corious published day. age is calculated by mean	the date policy Canada	ne	
	The rate of exchange for the Canadian. Therefore the currency differential sure 7.75% The Currency differential sure 7.75%	ferential is 0.31 ge is 25% rcharge: 0.31 X 25% =	For example: The rate of exchange for Therefore the currency di The U.S. exposure surcha				

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325: U.S. Exposure	 Applied only to the Liability premium Road/Passenger Hazard), not DCPD. Not subject to a minimum surcharge Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure \$1,000 X .25 \$250 Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 In addition to the Servicing Carrier's fee for filling proof of insurance. Payable only when proof of insurance is required by U.S. authorities. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required. 	The Currency differential surcharge is 1. Applied only to the Liability premium Road/Passenger Hazard), not DCPD. 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 \text{ V.S. Exposure } \$1,000 \text{ V.7.75} = 77.50 \text{ \$78} Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filling proof—of insurance. 5. Payable only when proof of insurance is required by U.S. authorities. 6. The combined dollar value of the currency differential—surcharge and the U.S. exposure surcharge is subject to—a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This will impact premiums
Rule 330: Vehicles Used Outside Jurisdiction of Registration	 When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. 	 When a vehicle is registered in one jurisdiction but garaged or chiefly used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 2. If it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 330: Vehicles Used Outside Jurisdiction of Registration	 For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 4. See Rule 325: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 5. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 6. If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 7. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. 	 For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3.— If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in St. John's, is on a sabbatical in Galifornia and the vehicle is registered in Newfoundland, St. John's rates apply. 2. See Rule 325: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5.— If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 6.— If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. 3. If the vehicle is operated outside the jurisdiction which it is, registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 325 to determine the surcharges applicable NOTE: At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums
	Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3	Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3		

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	on a long-term lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. For example: If the insured owned 10 vehicles and leased	lease are considered the equivalent of owned in determining whether or not a risk is a fleet. The applicant must have had 120 months of Liability insurance in the past 12 months i.e. 10 vehicles with Liability coverage for the past year, regardless of the number of policies on which those vehicles were insured. For example: If the insured owned 10 vehicles and leased (on	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	(on a long term basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability in that period, there would only be 108 months of Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet.	a long term basis) 1 vehicle that were insured for Liability for the past 12 months, the insured has 132 months of Liability insurance. If the insured only had 9 vehicles insured for Liability in that period, there would only be 108 months of Liability insurance and the policy would not be experience rated. The 120 months is established on the basis of vehicles the insured has owned or leased from others. The applicant may be required to provide proof of vehicle registration and ownership. Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet. Notes: • The Applicant is required to provide proof of vehicle registration and ownership. • Vehicles that are leased for more than 30 days to others are not to be considered unless those vehicles are leased to one lessee and meet the definition of a fleet.		
	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate.	Vehicles that the insured leases from others must be insured on a separate policy with the same expiry date as the policy for owned vehicles. If the policy for owned vehicles and the policy for the leased vehicles are insured through FA whether or not with the same Servicing Carrier, the policies shall be experience rated. If however, one policy is insured in the voluntary market and the other policy is insured through FA, the FA policy shall only be experience rated if there has been 120 months of liability insurance in the past 12 months for the vehicles insured by FA. If the policy does qualify for experience rating, only the experience on the vehicles insured by FA shall be used to promulgate the rate.		
	The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial	The months of Liability insurance for vehicles whose rates are derived from a Class 07 base and for commercial vehicles		

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 335.	A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 335.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating.	B. Fleet Rating Fleets policies may only be issued on an annual basis Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating.		
	 All losses (At-Fault and Not-at fault) are taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim; Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer; Claims falling within a specific deductible not offered by FA e.g. on an occurrence basis regardless of the coverage involved in the loss; Amounts above FA deductibles when the prior Insurer had higher deductibles; Losses falling within any special agreements with the prior Insurer. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. 	 Experience rating includes the following: All losses (At-Fault and Not-at fault) are taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim; Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer; Claims falling within a specific deductible not offered by FA e.g. on an occurrence basis regardless of the coverage involved in the loss; Amounts above FA deductibles when the prior Insurer had higher deductibles; Losses falling within any special agreements with the prior Insurer. NOTE: Full experience details must be obtained directly from the prior Insurer to ensure all information on the risk is provided. 		

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage. Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending order. C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed. For example: The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1998 and May 1, 1999. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had no losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered.	The Collision portion of All Perils and Collision coverage shall be regarded as the same coverage for the purposes of determining the number of months of coverage, similarly, the portion of All Perils and, Comprehensive and Specified Perils shall be regarded as the same coverage. Where Collision claims that have occurred in the past three years cannot be allocated to specific vehicles, the claims shall be assigned to the highest rated vehicles, one to each in descending order. C. Loss Information Any reserve change for a loss in any previous term shall be added to the incurred losses of the policy term in which the reserve was changed. For example: The new policy term will be May 1, 1999 to May 1, 2000. The insured had 2 losses between May 1, 1997 and May 1, 1998. The insured had 1 losses between May 1, 1996 and May 1, 1997 but in September 1996 there was a \$20,000 reserve increase on a claim that occurred in 1994. When listing the losses that occurred in the 2nd Prior Year (25-36 months) on the Automobile Fleet Schedule, the \$20,000 reserve must be entered.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	 D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application	D. New Applications 1. Forms required for Fleet Submissions a) Facility Association application The application form fully completed and signed. Under vehicle items show "Fleet Policy". b) Automobile Fleet Schedule All vehicles including trailers for which insurance is required must be fully described. c) Fleet Vehicle Count Calculation Must be completed to determine the number of vehicles insured by coverage. d) Fleet Rating Information Statement or Commercial Vehicle Supplement This form provides additional information about the risk.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter.	e) Any additional supplements such as drivers list, taxi questionnaire. 2. Incomplete Fleet submission forms If the necessary information required by the Servicing Carrier to properly rate the policy is not received within 15 days of the intended effective date, the policy shall be issued at the quoted premium and cancelled by registered letter. 3. The Applicant must understand that:	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged.	The risk is bound from the effective date shown and an earned premium shall be charged.		
	The application is subject to the Facility Association fleet rating formula and the resulting premium may be substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 325: U.S. Exposure.	The application is subject to the Facility Association fleet rating formula and the resulting premium may be substantially greater than the base premium quoted by the Agent/Broker. If proof of insurance is required by U.S. authorities, a Currency differential surcharge shall be applied to the Liability premium (road hazard, passenger hazard). See Rule 325: U.S. Exposure.		
	The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 324: Proof of Insurance. Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation where indicated.	The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 324: Proof of Insurance. Fleets cannot be issued with a term of 6 months. The applicant(s) must sign and date all documentation where indicated.		
	4. Agent/Broker responsibilities: Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays.	4. Agent/Broker responsibilities: Submit all fully completed and signed fleet submission forms. Items on the binder application dealing with specific vehicles are to be answered 'Fleet Policy'. Incomplete forms shall be returned for completion resulting in policy issuance delays.		
	Premiums are to be calculated at Driving Record 0 and must include the U.S. Exposure Surcharge if applicable.	Premiums are to be calculated at Driving Record 0 and must include the Outside Province/Territory Exposure surcharge if applicable.		
	If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The	If the manual does not provide information for rating a particular risk, the Servicing Carrier will assist the Agent/Broker in establishing a method of rating. The		

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

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

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

Rule	Current Wor	ding	Approved	Wording	Change from Current	Premium impact on existing policies
Rule 409: Motorcycles &	1. Driving Record Entitlement		Driving Record Entitlement	nt	Upon a review of FA	This will not impact
Mopeds B. Driving Record	The driving record established appropriate chargeable accident will affect the DCPD and Collision coverages.		The driving record established a which a driving record is a factor chargeable accident will affect the DCPD (Not available in Northwey Yukon) and Collision coverages	or. There is no split rating. A the rating of the Liability, est <i>Territories, Nunavut and</i>	rule there needs to be an updated to align with current rate pages	premiums
Rule 419: Time on Risk D. Short Term Tables	3. The tables below apply to seas conditions. If there is use outside during a month where the table ir "Nil" there shall be an additional pronth equal to pro-rata of the an surcharge for U.S. exposure is ap the vehicle is used for personal us insurance is not required.	the season or Canada adicates the charges as premium charged for that nual premium. The policable, except where	3. The tables below apply to se conditions. If there is use outsiduring a month where the table there shall be an additional preequal to pro-rata of the annual Outside of Province/Territory in applicable, except where the veonly and proof of insurance is not sometime.	de the season or Canada indicates the charges as "Nil" mium charged for that month premium. The surcharge for cluding U.S. exposure is whicle is used for personal use	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 425.C Accident / Conviction	C. Accident/Conviction Surcha Maxiumum surcharge to be applie major and minor convictions is 20	d for accidents, serious,	C. Accident/Conviction Surc Maximum surcharge to be a major and minor convictions is	pplied for accidents, serious,	To harmonize with all other	This may impact premiums
Surcharge Table	Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	jurisdictions,	
	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	0% 30% 10% 25% 25% 5% 15% 25% 15%	Chargeable Accidents: 2 3 Each additional Major Convictions 1 Each additional Minor Convictions 2 3 4 Each additional Serious Convictions 1 Each additional	20% 30% 15% 25% 25% 5% 15% 15% 100% 100%	In Nfld., some voluntary markets now charge 100% for a criminal code/serious conviction.	

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

Approved Wording

Change

Premium

Rule

Current Wording

Kule	Curre	nt wording	Аррі	rovea wording		from Current	impact on existing policies
Rule 427:	For example:		For example:			Currency	This will
	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge		differential	impact
U.S. Exposure	5% or less and proof of	5%	Exposure			surcharge	premiums
	insurance required		Up to 5% or less and	5%		will be	
	10%	10%	proof of insurance			discontinued	
	25%	25%	required	1.20		as FA is	
	50%	50%	10%	10%		working towards	
			25%	25%		modernizing	
			50%	50%		and simply	
	Optional Physical Dama For each percentage point other applicable jurisdictio applicable premium. For example:	of mileage in the U.S. or		t of total mileage in the U.S. on jurisdiction, surcharge .50%			
	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge			
	6%	3%	Exposure				
	10%	5%	6%	3%			
	25%	12.5%	10%	5%			
	50%	25%	25%	12.5%			
			50%	25%			
	the Liability premium to pr additional loss arising from dollars. The currency differential is charged for the U.S. dollar the date the premium is ca Carrier for policy issuance.	ce is required by U.S. derential surcharge is added to covide for the potential in the payment of a claim in U.S. of the rate of exchange being to the nearest cent, as at	currency differential surch premium to provide for the from the payment of a cla The currency differential in charged for the U.S. dolla the date the premium is contact of the contact of	nce is required by U.S. author narge is added to the Liability ne potential additional loss ari	sing		
	the following formula:	ferential is 0.31.	following formula: Currency differential x For example:				

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 427:	Currency differential surcharge:	Currency differential surcharge:	Currency	This will
	0.31 X 25% = 7.75%		differential	impact
U.S. Exposure	The Currency differential surcharge is	The Currency differential surcharge is	surcharge	premiums
	Applied only to the Liability premium	1. Applied only to the Liability premium (Road/Passenger	will be	
	(Road/Passenger Hazard), not DPCD.	Hazard), not DPCD.	discontinued	
	2. Not subject to a minimum surcharge	2. Not subject to a minimum surcharge	as FA is	
		3. Additional to but not compounded on the U.S. exposure	working	
	3. Additional to but not compounded on the U.S.	surcharge.	towards	
	exposure surcharge.		modernizing	
	Example:		and simply	
	The Liability premium is \$1,000	Example:	its rating	
	U.S. Exposure Surcharge is 25%	The Liability premium is \$1,000		
	The Currency Differential Surcharge is 7.75%	U.S. Exposure Surcharge is 25%		
	Base Premium \$1,000	The Currency Differential Surcharge is 7.75%		
	U.S. Exposure \$1,000 X .25 250	Base Premium \$1,000		
	Currency Differential \$1,000 X 7.75 = 77.50 \$78	U.S. Exposure \$1,000 X .25 250		
	Total Liability premium \$1,328	Currency Differential \$1,000 X 7.75 = 77.50 \$78		
		Total Liability premium \$1,328		
	4. In addition to the Servicing Carrier's fee for filing			
	proof of insurance.	4. In addition to the Servicing Carrier's fee for filing proof of insurance.		
	 Payable only when proof of insurance is required by U.S. authorities. 	5. Payable only when proof of insurance is required by U.S. authorities.		
	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.		
Rule 433: Vehicles Used Outside Jurisdiction of Registration	 When a vehicle is registered in one jurisdiction but used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 	 When a vehicle is registered in one jurisdiction but garaged or chiefly used in another, the following is to be used as a guide for rating purposes. 1. The vehicle must be insured on a policy from the jurisdiction where it is legally registered, even if the vehicle is chiefly used in another jurisdiction. 	FA aims to harmonize and simplify the wording across all jurisdictions	This will not impact premiums

Part of the street of the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. Vehicles Used Outside Jurisdiction of Registration Registration	Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	Vehicles Used Outside Jurisdiction of	there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 4. See Rule 427: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 5. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 6. If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 7. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it	are FA premiums for that territory, then the appropriate FA premiums for that territory must be used. For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3. If the vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in St. John's, is on a sabbatical in California and the vehicle is registered in Newfoundland, St. John's rates apply. 2. See Rule 427: U.S. Exposure Surcharge to determine surcharges applicable to commercial/public vehicles. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. 5. If the vehicle is used in different territories, refer to the section of this manual dealing with the specific class of business e.g. Private Passenger Vehicles. 6. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. 3. If the vehicle is operated outside the jurisdiction which it is, registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to	harmonize and simplify the wording across all	not impact

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

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

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	 Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of conduct, training and service standards, and Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. 	 Vehicles and all associated drivers adhere to the vehicle and driver safety standards of the Named Insured, and Vehicles and all associated drivers adhere to the Named Insured means and methods of work, including risk management practices, code of conduct, training and service standards, and Failure to adhere to any of the above will result in the termination of the agreement between the Named Insured and Vehicle Owner. A signed 'Facility Association Common Management Attestation', signed by the Named Insured and a copy of the common management agreement must accompany all new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 438. B. Fleet Rating	The Servicing Carrier reserves the right to deny experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 438. B. Fleet Rating Fleet policies may only be issued on an annual basis.		
	Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. Experience rating includes the following: • All losses (At-Fault and Not-at-fault) are taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim; • Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; • Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer;	Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date to facilitate experience rating. Experience rating includes the following: • All losses (At-Fault and Not-at-fault) are taken into account in rating even if there was no insurance in effect or the loss was repaid to the Insurer by or on behalf of the Insured or if the Insured chose not to present the claim; • Claims (paid by the previous Insurer, reimbursed to the previous Insurer or paid by the Insured) outside the coverage on the application; • Any amount paid back by the Insured due to an END 8 on the policy with the prior Insurer;		

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

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

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

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

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

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
GARAGE SEC	TION			
Table of Contents	Rule 607: Territory and U.S. Exposure	Rule 607: Outside Province Exposure	Name change update	This will not impact premiums
Rule 607:	Territory and U.S. Exposure	Territory and U.S. Outside Province Exposure	Currency	This will
Territory and U.S. Exposure	Policies may only be issued for those locations in a jurisdiction in which FA operates.	Policies may only be issued for those locations in a jurisdiction in which FA operates.	differential surcharge will be	impact premiums
	If vehicles are operated regularly i.e. more than 12 trips per year to or through more than one rating territory in Newfoundland, the highest rated of those territories is to be used.	If vehicles are operated regularly i.e. more than 12 trips per year to or through more than one rating territory in Newfoundland, the highest rated of those territories is to be used.	discontinued as FA is working towards modernizing	
	U.S. Exposure Surcharge Any garage risk with exposure for operations in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to garage risks where proof of insurance is required.	Outside Province Exposure Surcharge Any garage risk with exposure for operations in the U.S. is subject to the U.S. exposure surcharge. This surcharge shall apply to garage risks where proof of insurance is required.	and simply its rating	
	NOTE: Where vehicles/dealer plates associated with the garage risk are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance must be filed and, if so, in what amount.	Any vehicle that is operated in another Canadian jurisdiction or the U.S. is subject to a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance is required or where the vehicles are used for business, commercial purposes or carrying passengers. NOTE: Where vehicles/dealer plates associated with the garage risk are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance must be filed and, if so, in what amount.		
	The surcharge does not apply where the exposure involves a vehicle used for personal use only and proof of insurance is not required.	The surcharge does not apply where the exposure involves a vehicle is used for personal use only and proof of insurance is not required.		
	The Insured must advise the Agent/Broker the percentage of the total mileage that vehicles/dealer plates will be used in the U.S.	The Insured must advise the Agent/Broker the percentage of the total mileage that vehicles /dealer plates will be used outside the Province/Territory including in the U.S. and the jurisdiction(s) into where the vehicle is and will be driven.		
		NOTE: Where vehicles are operated in the U.S., Agents/Brokers must ask Insureds whether or not proof of insurance must be filed and, if so, in what amount.		
	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will	If this exposure is 5.0% or less of the total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply		

Rule	Curre	ent Wording	Ар	proved Wording	Change from Current	Premium impact on existing policies
Rule 607: Territory and U.S. Exposure			Benefits and Uninsured Basic Garage Premiur Uninsured Automobile If the exposure is 5.0% applicable Canadian juri	m - Liability, Accident Benefits,	to as FA is	This will impact premiums
		t of mileage in the U.S. or other rcharge 1% of the applicable Applicable Surcharge	total mileage in the U.S. jurisdiction, surcharge 1 For example: Outside Province	int If this exposure is over 5.0% of or other applicable Canadian % of the applicable premium. Applicable Surcharge	and simply its rating	
	Up to 5% and proof of insurance required 10%	5% 10% 25%	Exposure Up to 5% and proof of insurance required 10%	10%		
	25% 50% Optional Physical Dam	50%	25% 50%	25% 50% m – Optional Physical Damage		
	For each percentage poin	t of mileage in the U.S. or other rcharge .50% of the applicable	For each percentage poi	int of total mileage in the U.S. or an jurisdiction, surcharge .50% of t	he	
		pplicable urcharge		Applicable		
		.0%		Surcharge 3%		
	10% 5	.0%	10%	5%		
	25% 1	2.50%		12.5%		
	50% 2	5%		25%		
	information, log books ar	discretion, a copy of fuel tax ad/or other pertinent records may age and travelled jurisdictions.	information, log books a	s discretion, a copy of fuel tax and/or other pertinent records may ge and travelled jurisdictions.	be	

Rule 608 B. Currency Differential Surcharge Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. claim, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier for the U.S. Exposure surcharge (See Rule of D.T. Terrifory and U.S. Exposure surcharge (See Rule of D.T. Terrifory and U.S. Exposure surcharge (See Rule of D.T. Terrifory and U.S. Exposure surcharge and the U.S. Exposure surcharge. Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the Currency Differential is urcharge is 25% (25 factor) Currency Differential Surcharge is 25% (25 factor) Currency Differential Surcharge is 25% (25 factor) Currency Differential Surcharge is 25% Currency Differe	Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	Proof of Insurance Where Notice of Cancellation or Deletion is	Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The currency differential surcharge is: • Applied only to the Liability premium (Not DCPD)	Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars. The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The currency differential surcharge is: Applied only to the Liability premium (Not DCPD) Not subject to a minimum surcharge. Additional to but not compounded on the U.S. Exposure surcharge (See Rule 607: Territory and U.S. Exposure). Additional to the Servicing Carrier's fee for filling proof of insurance. Payable only when proof of insurance is required by U.S. authorities. Subject to a minimum of \$50 per policy term for the combined dollar value of the currency differential surcharge and the U.S. Exposure surcharge. Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the Currency Differential is 0.31 U.S. Exposure Surcharge is 25% (.25 factor) Currency Differential Surcharge is 0.31 X.25 = .0775 Liability premium \$1,000 U.S. Exposure Surcharge	differential surcharge will be discontinued as FA is working towards modernizing and simply	impact

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 622: Additional Charges to the Basic Garage Premium	3. Accident Surcharge All at fault accidents arising out of the use of vehicles in the business stated in item 3 of the application and all at fault accidents arising out of the use of any vehicle by a person listed as a driver are to be counted. At fault accidents of a listed driver will first be counted against the individually rated vehicles (includes service/parts trucks, tow trucks, END 70, 76 and 80, dealer plates) to which they have been assigned in accordance with the section of the manual in which they are rated. If accidents cannot be counted in this manner because the driver has not been assigned an individually rated vehicle, then the accidents will be counted against the Basic Garage Premium. Accidents for which a charge has been made on another policy written through Facility Association with the same Servicing Carrier are not included when determining the	All at fault accidents arising out of the use of vehicles in the business stated in item 3 of the application and all at fault accidents arising out of the use of any vehicle by a person listed as a driver are to be counted. At fault accidents of a listed driver will first be counted against the individually rated vehicles (includes service/parts trucks, tow trucks, END 70, 76 and 80, dealer plates) to which they have been assigned in accordance with the section of the manual in which they are rated. If accidents cannot be counted in this manner because the driver has not been assigned an individually rated vehicle, then the accidents will be counted against the Basic Garage Premium. Accidents for which a charge has been made on another policy written through Facility Association with the same Servicing Carrier are not included when determining the	The Accident Conviction has been changed and moved to Rule 623	This will not impact premiums
	surcharge amount for the Basic Garage Premium. The surcharge for at fault accidents applied to Liability, DCPD, Owned Automobiles Collision and Legal Liability for Customers' Automobiles is 10% for each at fault accident up to and including 5. For each additional accident above 5, the surcharge is 20%. Accidents will only be considered if they occurred in the 36 months preceding the commencement date of the policy term.	surcharge amount for the Basic Garage Premium. The surcharge for at fault accidents applied to Liability, DCPD, Owned Automobiles Collision and Legal Liability for Customers' Automobiles is 10% for each at fault accident up to and including 5. For each additional accident above 5, the surcharge is 20%. Accidents will only be considered if they occurred in the 36 months preceding the commencement date of the policy term.		
Rule 623.A Accident and Conviction Surcharges	Maximum surcharge to be applied for Accidents and Convictions is 250%. A. Conviction Surcharge Table Events in the preceding Percentage 36 months Serious Convictions 1 50% Each additional 100%	Maximum surcharge to be applied for Accidents and Convictions is 250%. A. Accident/Conviction Surcharge Table Maximum surcharge to be applied is 250% Events in the preceding Surcharge 36 months Chargeable Accidents: 2 20% 3 30% Each additional 15%	To align accident surcharge sections of the manual in all jurisdictions	This will impact premiums

Rule	Current V	Vording	Approve	ed Wording	Change from Current	Premium impact on existing policies
Rule 623.A	Major Convictions		Major Convictions		In Nfld.,	This will
	1	25%	1	25%	some	impact
Accident and Conviction	Each additional	15%	Each additional	25%	voluntary markets now	premiums
Surcharges	Minor Convictions		Minor Convictions		charge	
3	2	5%	2	5%	100% for a	
	3	15%	3	15%	criminal	
	4	25%	4	25%	code/serious	
	Each additional	15%	Each additional	15%	conviction.	
			Serious Convictions			
			1	100%		
			Each additional	100%		
DRIVER'S PO	LICY SECTION FOR INFORM	MATION ONLY				<u> </u>
Table of	Rule 726: U.S. Exposure		Rule 726: Outside Province	Exposure	Name	This will
Contents	A. U.S. Exposure Surcharge		A. U.S. Exposure Surcharge		change	not impact
	B. Currency Differential Surcha	arge	B. Currency Differential Surch	arge	update	premiums
Rule 724.C Accident / Conviction	C. Accident/Conviction Sure Maxiumum surcharge to be ap major and minor convictions is	plied for accidents, serious,	C. Accident/Conviction Sur Maximum surcharge to be major and minor convictions i	applied for accidents, serious,	To harmonize with all other	This may impact premiums
Surcharge Table	Events in the preceding 36 months	Surcharge	Events in the preceding 36 months	Surcharge	jurisdictions,	
	Chargeable Accidents:		Chargeable Accidents:			
	2	0%	2	20%		
	3	30%	3	30%		
	Each additional	10%	Each additional	15%		
	Major Convictions		Major Convictions			
	1	25%	1	25%		
	Each additional	25%	Each additional	25%		
	Minor Convictions		Minor Convictions			
	2	5%	2	5%		
	3	15%	3	15%		
	4	25%	4	25%		
	Each additional	15%	Each additional	15%		

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

Rule	Curre	nt Wording	Арр	roved Wording	Change from Current	Premium impact on existing policies
Rule 726:		fits, Uninsured Automobile,		efits, Uninsured Automobile, END		This will
	END 44		44		differential	impact
U.S. Exposure	.S. Exposure		If this exposure is 5.0% or less of total mileage in the U.S. or applicable Canadian jurisdiction, a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile and END 44.	surcharge will be discontinued as FA is working towards	premiums	
	For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge 1% of the applicable premium. Also, refers to paragraph indicated.		total mileage in the U.S.	t of If this exposure is over 5.0% of or other applicable Canadian 6 of the applicable premium. indicated.	modernizing and simply its rating	
	For example:		For example:			
	U.S. Exposure	Applicable Surcharge	Outside Province	Applicable Surcharge		
	5% or less and proof of	5%	Exposure			
	insurance required		Up to 5% or less and	5%		
	10%	10%	proof of insurance			
	25%	25%	required			
	50%	50%	10%	10%		
			25%	25%		
			50%	50%		
			Damage to Non-Owned For each percentage poin other applicable Canadiar applicable premium. For example: Outside Province Exposure 6% 10% 25%	t of total mileage in the U.S. or in jurisdiction, surcharge .50% of the Applicable Surcharge 3% 5% 12.5%		
			50%	25%		
	B. Currency Differential Surcharge					
	Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. dollars.		currency differential sure	nce is required by U.S. authorities, a harge is added to the Liability ne potential additional loss arising	•	

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726: U.S. Exposure	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Currency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is	The currency differential is the rate of exchange being charged for the U.S. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The surcharge percentage is calculated by means of the following formula: Gurrency differential x U.S. exposure surcharge For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The U.S. exposure surcharge is 25%. Gurrency differential surcharge: - 0.31 X 25% = 7.75% The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) 2. Not subject to a minimum surcharge 3. Additional to but not compounded on the U.S. exposure surcharge. Example: The Liability premium is \$1,000 U.S. Exposure Surcharge is 25%	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	_
	The Currency Differential Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities.	The Currency Differential Surcharge is 7.75% Base Premium \$1,000 U.S. Exposure \$1,000 X .25 = \$250 Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 4. In addition to the Servicing Carrier's fee for filing proof of insurance. 5. Payable only when proof of insurance is required by U.S. authorities.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726: U.S. Exposure	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	6. The combined dollar value of the currency differential surcharge and the U.S. exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the U.S. exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This will impact premiums
Rule 728: Vehicles Used Outside Jurisdiction of Registration	For example: The Insured resides in Newfoundland and will be travelling in Alberta for the next year. 1. The policy must be issued in the jurisdiction	For example: The Insured resides in Newfoundland and will be travelling in Alberta for the next year. When a vehicle is registered in one jurisdiction but garaged or chiefly used in another, the following is to be used as a guide for rating purposes: 1. The policy must be issued in the jurisdiction where	FA aims to harmonize and simplify the wordings across all jurisdictions	This will not impact premiums
	where the Insured resides even if the non-owned vehicle is chiefly used in another jurisdiction. 2. If the non-owned vehicle is operated outside Newfoundland and it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used.	the Insured resides even if the non-owned vehicle is chiefly used in another jurisdiction. 2. If the non-owned vehicle is operated outside Newfoundland and it is known where the vehicle is being used and there are FA premiums for that territory, then the appropriate FA premiums for that territory must be used.		
	 For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 3. Surcharges do not apply to non-owned private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. If the US. exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile and END 44 only. 	For example: The insured resides in Gander and the vehicle is registered in Newfoundland but the insured is attending university in Halifax. Rates for Halifax must be used. 2. Surcharges do not apply to non-owned private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. If the US. exposure is 5.0% or less of total mileage, the surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply to Liability, Accident Benefits, Uninsured Automobile and END 44 only.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 728: Vehicles Used Outside Jurisdiction of Registration	 At the Servicing Carrier's discretion, a copy of fuel tax information, log books and/or other pertinent records may be required to verify mileage and travelled jurisdictions. If the vehicle is used within one region of Canada as defined below, it is to be rated as though it is used in the highest rated territory of that region. If the vehicle is used in more than one region of Canada, it is to be rated as if used in the highest rated region. Region 1 – Atlantic Provinces Rate as New Brunswick Territory 3 Region 2 – Central (Ontario and Quebec) Rate as Ontario Territory 20 Region 3 – West and North Rate as Alberta Territory 4. 	 At the Servicing Carrier's discretion, a copy of 	FA aims to harmonize and simplify the wordings across all jurisdictions	This will not impact premiums