

July 2023

**Manual of Rules and Rates
Prince Edward Island**

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

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

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

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

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

**FACILITY ASSOCIATION PRINCE EDWARD ISLAND RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PASSENGER SECTION				
<p>Rule 103 A.3</p> <p>Binding Coverage – New Policies A.</p> <p>Requirements/ Procedures for binding new policies</p>	<p>3. The insurance shall take effect as of the time and date the coverage is bound. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 am on the date the application is signed. However, except when the binding time is 12.01 a.m. of a future date, the policy shall be shown as effective at 12.01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>3. The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed. However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2 1. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>
<p>Rule 123.D</p> <p>Commonly Used Endorsements</p>	<p>D. Deletion of Glass Coverage</p> <p>The coverage provided under Comprehensive for damage to glass may be amended by means of adding 13C to delete coverage for damage to glass except when caused by Specified Perils.</p> <p>The premium charged for the reduced Comprehensive coverage is the Specified Perils premium plus 10% of the Comprehensive premium.</p> <p>Where the deductible is \$1,000 or higher, there is no premium reduction.</p> <p>Signature Required This endorsement requires a signature. If a signature cannot be obtained, refer to Rule 122: Endorsement Forms/Wordings.</p>	<p>D. Comprehensive Cover – Deletion of Glass Endorsement</p> <p>The coverage provided under Comprehensive for damage to glass may be amended by means of adding 13C to delete coverage for damage to glass except when caused by Specified Perils.</p> <p>The premium charged for the reduced Comprehensive coverage is the Specified Perils premium plus 10% of the Comprehensive premium.</p> <p>Where the deductible is \$1,000 or higher, there is no premium reduction.</p> <p>Signature Required This endorsement requires a signature. If a signature cannot be obtained, refer to Rule 122: Endorsement Forms/Wordings.</p>	<p>As of March 22, 2022, the name on 13D changed. FA manual needs to be updated for this change.</p>	<p>This will not impact premiums</p>

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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
<p>Rule 127 E.3</p> <p>Policy Changes</p> <p>Deletions of Vehicles and Coverages</p>	<p>Deletions of Vehicles and Coverages</p> <p>3. In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>3. In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>
<p>Rule 127.G</p> <p>Midterm Policy Change Premium Calculation</p>	<p>G. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>G. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>

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Rule 152 13C Endorsements Applicable to POL 1 (Owner's Policy)	13C	Deletion of Glass Coverage Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	13C	Deletion of Glass Coverage Comprehensive Coverage – Deletion of Glass Endorsement Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change. FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions	This will not impact premiums
COMMERCIAL SECTION								
Rule 203 A.3 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	3. The insurance shall take effect as of the time and date the coverage is bound. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 am on the date the application is signed.</i> However, except when the binding time is 12.01 a.m. of a future date, the policy shall be shown as effective at 12.01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.			3. The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed.</i> However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.			To bring FA inline with industry practice	This will not impact premiums

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Rule 217.E.c Policy Changes Deletions of Vehicles and Coverages	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	To bring FA inline with industry practice	This will not impact premiums																
Rule 217.H Midterm Policy Change Premium Calculation	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date). Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	To bring FA inline with industry practice To bring FA inline with industry practice	This will not impact premiums This will not impact premiums																
Rule 228.C: Outside Province Exposure. C. Interurban Outside Province Exposure Surchage (Excluding Commercial Vehicles)	<p>Step 2: Determine U.S. Exposure</p> <p>Based on the total reported mileage (Canada and the U.S.), surcharge 1% per percentage (%) of exposure into the U.S.</p> <p><i>For example:</i></p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>U.S. Exposure</th> <th>Applicable U.S. Surcharge</th> </tr> </thead> <tbody> <tr> <td>5%</td> <td>5%</td> </tr> <tr> <td>10%</td> <td>10%</td> </tr> <tr> <td>25%</td> <td>25%</td> </tr> <tr> <td>50%</td> <td>50%</td> </tr> </tbody> </table>	U.S. Exposure	Applicable U.S. Surcharge	5%	5%	10%	10%	25%	25%	50%	50%	<p>Step 2: Determine U.S. Exposure</p> <p>The U.S. Exposure is determined by how often the vehicle travels <u>into the U.S.</u></p> <p>The U.S. surcharge is based on the States in which a vehicle travels. See Chart below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Region 1</th> <th>Region 2</th> <th>Region 3</th> </tr> </thead> <tbody> <tr> <td>Alaska Colorado</td> <td>Arizona Arkansas</td> <td>Alabama Connecticut</td> </tr> </tbody> </table>	Region 1	Region 2	Region 3	Alaska Colorado	Arizona Arkansas	Alabama Connecticut	US surcharge will now be based on the State and Region where the majority of exposure exists	This may impact premiums
U.S. Exposure	Applicable U.S. Surcharge																			
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Rule 228.C: Outside Province Exposure. C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)		<table border="1" data-bbox="974 310 1577 813"> <tr> <td>Idaho</td> <td>California</td> <td>Delaware</td> </tr> <tr> <td>Iowa</td> <td>Georgia</td> <td>Florida</td> </tr> <tr> <td>Kansas</td> <td>Illinois</td> <td>Hawaii</td> </tr> <tr> <td>Nebraska</td> <td>Indiana</td> <td>Louisiana</td> </tr> <tr> <td>Nevada</td> <td>Kentucky</td> <td>Maine</td> </tr> <tr> <td>North Dakota</td> <td>Michigan</td> <td>Maryland</td> </tr> <tr> <td>Oregon</td> <td>Minnesota</td> <td>Massachusetts</td> </tr> <tr> <td>Utah</td> <td>Missouri</td> <td>Mississippi</td> </tr> <tr> <td>Wisconsin</td> <td>Montana</td> <td>New Hampshire</td> </tr> <tr> <td>Wyoming</td> <td>New Mexico</td> <td>New Jersey</td> </tr> <tr> <td></td> <td>North Carolina</td> <td>New York</td> </tr> <tr> <td></td> <td>Ohio</td> <td>Rhode Island</td> </tr> <tr> <td></td> <td>Oklahoma</td> <td>South Carolina</td> </tr> <tr> <td></td> <td>Pennsylvania</td> <td>Texas</td> </tr> <tr> <td></td> <td>South Dakota</td> <td>Vermont</td> </tr> <tr> <td></td> <td>Tennessee</td> <td>West Virginia</td> </tr> <tr> <td></td> <td>Virginia</td> <td></td> </tr> <tr> <td></td> <td>Washington</td> <td></td> </tr> </table> <p data-bbox="974 850 1619 932">The rate of the U.S. Exposure surcharge (per percentage of U.S. Exposure) is based on the Region where the majority of exposure exists:</p> <table border="1" data-bbox="974 954 1556 1182"> <thead> <tr> <th>Region</th> <th>Applicable Surcharge per % of Exposure</th> </tr> </thead> <tbody> <tr> <td>Region 1</td> <td>1%</td> </tr> <tr> <td>Region 2</td> <td>1.25%</td> </tr> <tr> <td>Region 3</td> <td>1.5%</td> </tr> </tbody> </table> <p data-bbox="974 1224 1619 1305"><i>Example:</i> A vehicle travels 10% in Region 1, 40% in Region 2 and 50% in Region 3, then the rate U.S. surcharge would be 1.5% per % of U.S Exposure.</p> <p data-bbox="974 1328 1619 1435">In the event of a tie or where no clear majority exists in any Region, select the Region that generates the highest surcharge (per percentage of U.S. Exposure), as outlined in the chart above.</p>	Idaho	California	Delaware	Iowa	Georgia	Florida	Kansas	Illinois	Hawaii	Nebraska	Indiana	Louisiana	Nevada	Kentucky	Maine	North Dakota	Michigan	Maryland	Oregon	Minnesota	Massachusetts	Utah	Missouri	Mississippi	Wisconsin	Montana	New Hampshire	Wyoming	New Mexico	New Jersey		North Carolina	New York		Ohio	Rhode Island		Oklahoma	South Carolina		Pennsylvania	Texas		South Dakota	Vermont		Tennessee	West Virginia		Virginia			Washington		Region	Applicable Surcharge per % of Exposure	Region 1	1%	Region 2	1.25%	Region 3	1.5%	US surcharge will now be based on the State and Region where the majority of exposure exists	This may impact premiums
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<p>Rule 228.C: Outside Province Exposure.</p> <p>C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)</p>	<p>3: Determine the Total Outside Province Exposure Surcharge applicable to the Interurban Vehicle</p> <p>The total surcharge applicable is determined by totaling the surcharge amounts calculated under Step 1 and Step 2.</p> <p>The total surcharge is applicable to Liability (BI and PD) and DCPD premiums.</p> <p>Example: Step 1: Canadian Out of Province Surcharge= 320% Step 2: U.S. Exposure Surcharge = <u>10%</u> Total Out of Province Exposure Surcharge 330%</p> <p>In the above example, a 330% surcharge would apply to Liability (BI and PD) and DCPD Premiums.</p>	<p><i>Example:</i> A vehicle travels 20% in Region 1; 40% in both Region 2 and Region 3. A surcharge rate of Region 3 (1.5% per % of U.S. Exposure) would apply.</p> <p>To determine the U.S. Exposure surcharge, multiply the rate of surcharge by the percentage of U.S. Exposure, as outlined in the chart above.</p> <p><i>Example:</i> A vehicle traveling 40% into the U.S. using Region 3 would have a 60% surcharge.</p> <p>Step 3: Determine the Total Outside Province Exposure Surcharge applicable to the Interurban Vehicle</p> <p>The total surcharge applicable is determined by totaling the amounts calculated under Step 1 and Step 2.</p> <p>The total surcharge is applicable to Liability (BI and PD) and DCPD premiums</p> <p><i>Example:</i> Step 1: Canadian Out of Province Surcharge= 320% Step 2: U.S. Exposure Surcharge Region 3 = <u>60%</u> Total Out of Province Exposure Surcharge 380% If applicable, round up to the nearest whole %.</p> <p>In the above example, a 380% surcharge would apply to the Liability (BI and PD) and DCPD Premiums.</p>	<p>US surcharge will now be based on the State and Region where the majority of exposure exists</p>	<p>This may impact premiums</p>

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Rule 243 13C Endorsements Applicable to POL 1 (Owner's Policy)	13C	Deletion of Glass Coverage Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	13C	Deletion of Glass Coverage Comprehensive Coverage – Deletion of Glass Endorsement Amends the Comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change. FA has reviewed rules for 13C endorsement and aims to harmonize (if possible) across all jurisdictions	This will not impact premiums
PUBLIC SECTION								
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<p>Rule 315.E.c</p> <p>Policy Changes</p> <p>Deletions of Vehicles and Coverages</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>						
<p>Rule 315.H</p> <p>Midterm Policy Change Premium Calculation</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date).</p> <p>Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>H. Midterm Policy Change Premium Calculation</p> <p>In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date). Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time.</p> <p>Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>To bring FA inline with industry practice</p> <p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p> <p>This will not impact premiums</p>						
<p>Rule 338: Endorsements Applicable to POL 1 (Owner's Policy)</p> <p>13C</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 10%;">13C</td> <td style="width: 40%;">Deletion of Glass Coverage</td> <td style="width: 50%;">Not offered in this section</td> </tr> </table>	13C	Deletion of Glass Coverage	Not offered in this section	<table border="1" style="width: 100%;"> <tr> <td style="width: 10%;">13C</td> <td style="width: 40%;">Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass Endorsement</td> <td style="width: 50%;">Not offered on 'Public Vehicles' as described in the Public Section of this manual</td> </tr> </table>	13C	Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass Endorsement	Not offered on 'Public Vehicles' as described in the Public Section of this manual	<p>As of March 22, 2022, the name on 13D changed. FA manual needs to be updated for this change.</p>	<p>This will not impact premiums</p>
13C	Deletion of Glass Coverage	Not offered in this section								
13C	Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass Endorsement	Not offered on 'Public Vehicles' as described in the Public Section of this manual								

**FACILITY ASSOCIATION PRINCE EDWARD ISLAND RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies									
RECREATIONAL SECTION													
Rule 403 A.3 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	3. The insurance shall take effect as of the time and date the coverage is bound. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 am on the date the application is signed.</i> However, except when the binding time is 12.01 a.m. of a future date, the policy shall be shown as effective at 12.01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.	3. The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed.</i> However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.	To bring FA inline with industry practice	This will not impact premiums									
Rule 409.B Motorcycles & Mopeds Driving Record Rule 409.B Motorcycles & Mopeds Driving Record		1. Driving Record Entitlement The full number of years immediately preceding the commencement date of the period of insurance for which: a) the principal driver has continuously held a valid operator’s licence; and b) there has been no chargeable accidents Regardless of the period during which an operator has held a Learner’s Licence the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained and valid for a minimum of 1 year.	Aligns the rule in the manual where accident or conviction surcharge (15% or more DR 3 shall be allowed Outlines where driving record applies to which coverage	This will not impact premiums									
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year Licenced</th> <th style="text-align: center;">Learner’s Permit</th> <th style="text-align: center;">Valid or Regular Licence</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">1 year</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Year Licenced	Learner’s Permit	Valid or Regular Licence	Less than 1	0	0	1 year	0	1		
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Rule 409.B Motorcycles & Mopeds Driving Record	<p>1. Calculating Driving Record with a Licence Suspension/Cancellation/Lapse Suspension of Operator's Licence can be one of two types:</p> <p>A. Suspension for cause: A driver's licence suspension or cancellation for more than two weeks resulting from a conviction or an accumulation of demerit points.</p> <p>B. Administrative Suspension/Cancellation/Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A.</p> <p>A. With suspensions for cause</p> <ul style="list-style-type: none"> For the total of all suspensions within the last 5 years, deduct 1 year for each year (or partial year) of suspension from the driving record (maximum Driving Record 3). <p><i>Examples:</i></p> <p>i. Principal operator is eligible for driving record 4. Has 6 month suspension for demerit points. Now qualifies for driving record 3.</p> <p>ii. Principal operator is eligible for driving record 4. Has been reinstated May 1, 2005 after an 18 month suspension for convictions. Policy is effective June 1, 2005. Now qualifies for Driving Record 2.</p>	<table border="1" data-bbox="974 310 1543 418"> <tr> <td>2 years</td> <td>0</td> <td>2</td> </tr> <tr> <td>3 years</td> <td>0</td> <td>3</td> </tr> <tr> <td>4 years</td> <td>0</td> <td>4</td> </tr> <tr> <td>5 years</td> <td>0</td> <td>5</td> </tr> </table> <p>The appropriate type of driver's licence (class 6 for motorcycle or moped and class 8 for moped) is required for the operation of these vehicles.</p> <p>Where an accident or conviction surcharge (15% or more) is applied to a vehicle premium, a maximum of Driving Record 3 shall be allowed.</p> <p>The driving record established applies to all coverage. A chargeable accident will affect the rating of Liability, DCPD and Collision coverages.</p> <p>2. Calculating Driving Record with a Licence Suspension/Cancellation/Lapse Suspension of Operator's Licence can be one of two types:</p> <p>A. Suspension for cause: A driver's licence suspension or cancellation for more than two weeks resulting from a conviction or an accumulation of demerit points.</p> <p>B. Administrative Suspension/Cancellation/Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A</p> <p>A. With suspensions for cause</p> <ul style="list-style-type: none"> For the total of all suspensions within the last 5 years, deduct 1 year for each year (or partial year) of suspension from the driving record (maximum Driving Record 3). <p><i>Examples 1</i> Principal operator is eligible for driving record 4. Has 6 month suspension for demerit points. Now qualifies for driving record 3.</p> <p><i>Example 2</i> ii. Principal operator is eligible for driving record 4. Has been reinstated May 1, 2005 after an 18 month suspension for convictions. Policy is effective June 1, 2005. Now qualifies for Driving Record 2.</p>	2 years	0	2	3 years	0	3	4 years	0	4	5 years	0	5	FA aims to harmonize rule across all jurisdictions	This will not impact premiums
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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
<p>Rule 409.B</p> <p>Motorcycles & Mopeds</p> <p>Driving Record</p>	<p>B. With administrative suspensions/cancellation/lapse:</p> <ul style="list-style-type: none"> • If the total time suspended/cancelled/lapsed is less than 1 year in the past 5 years, the driving record will not be affected. • If the total time suspended/cancelled/lapsed is 1 year or more in the past 5 years, the driving record will be reduced by 1 for every year (or partial year) suspended/ cancelled/ lapsed. <p><i>Examples:</i></p> <p>i. Risk is eligible for Driving Record 4. One operator has 10 month suspension for unpaid fines. Now qualifies for Driving Record 4.</p> <p>ii. Risk is eligible for Driving Record 4. One operator has 24 month suspension for unpaid fines. Now qualifies for Driving Record 2.</p> <p>If the licence of the person reported as the principal operator is currently suspended/ cancelled/ lapsed see Rule 431: Suspension of Operator’s Licence.</p> <p>Ignition Interlock</p> <p>Under the Interlock Programme, the length of the licence suspension shall be calculated from the date the licence was suspended to the date the Interlock Programme was entered.</p> <p><i>For example:</i> Licence was suspended from January 1 to July 1. The driver entered the Interlock Programme on March 1. The total time the driver’s licence is considered to have been suspended is 2 months (January 1 to March 1) not 6 months.</p> <p>Regardless of the period during which an operator has held a Learner’s Licence the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained and valid for a minimum of 1 year.</p>	<p>B. Administrative Suspension/ Cancellation/ Lapse: A suspension/cancellation/lapse for one year or more for any reason other than those outlined in item A.</p> <p>B. With administrative suspensions /cancellation /lapse:</p> <ul style="list-style-type: none"> • If the total time suspended/cancelled/lapsed is less than 1 year in the past 5 years, the driving record will not be affected. • If the total time suspended/cancelled/lapsed is 1 year or more in the past 5 years, the driving record will be reduced by 1 for every year (or partial year) suspended/ cancelled/ lapsed. <p><i>Examples 1</i></p> <p>Risk is eligible for Driving Record 4. One operator has 10 month suspension for unpaid fines. Now qualifies for Driving Record 4.</p> <p><i>Example 2</i></p> <p>Risk is eligible for Driving Record 4. One operator has 24 month suspension for unpaid fines. Now qualifies for Driving Record 2.</p> <p>If the licence of the person reported as the principal operator is currently suspended/ cancelled/ lapsed see Rule 431: Suspension of Operator’s Licence.</p> <p>Ignition Interlock</p> <p>Under the Interlock Programme, the length of the licence suspension shall be calculated from the date the licence was suspended to the date the Interlock Programme was entered.</p> <p><i>For example:</i> Licence was suspended from January 1 to July 1. The driver entered the Interlock Programme on March 1. The total time the driver’s licence is considered to have been suspended is 2 months (January 1 to March 1) not 6 months.</p> <p>Regardless of the period during which an operator has held a Learner’s Licence the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained and valid for a minimum of 1 year.</p>	<p>FA aims to harmonize rule across all jurisdictions</p>	<p>This will not impact premiums</p>

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Valid Operator's Licence A valid Canadian licence to drive the type of vehicle concerned. A Learner's Permit will be regarded as a valid operator's licence except as it pertains to the accumulation of experience.</p> <p>The operator of a Moped must meet the licence requirements of the jurisdiction in which the vehicle is operated.</p> <p>Where the operator fails to have the proper class of licence, the policy will be issued at Driving Record 0. If evidence of the correct class of licence is not provided to the Servicing Carrier within 30 days, the policy will be cancelled by registered letter.</p> <p>3. Age The driver's age on the last birthday preceding the commencement date of the period of insurance. In the case of an additional or substitute driver, the driver's age as of the effective date of the addition/substitution. No grace period is permitted with respect to age. If for example, the driver will be 21 two days after the effective date of the policy, the policy must be issued on the basis that the insured is 20 as that was the insured's age at the commencement of the period of insurance. Midterm change due to age is permissible, provided a request is</p>	Years Licenced	Learner's Permit	Valid or Regular Licence	Less than 1	0	0	1 year	0	1	2 years	0	2	3 years	0	3	4 years	0	4	5 years	0	5	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Years Licenced</th> <th style="text-align: center;">Learner's Permit</th> <th style="text-align: center;">Valid or Regular Licence</th> </tr> </thead> <tbody> <tr> <td>Less than 1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>1 year</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> <tr> <td>2 years</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> </tr> <tr> <td>3 years</td> <td style="text-align: center;">0</td> <td style="text-align: center;">3</td> </tr> <tr> <td>4 years</td> <td style="text-align: center;">0</td> <td style="text-align: center;">4</td> </tr> <tr> <td>5 years</td> <td style="text-align: center;">0</td> <td style="text-align: center;">5</td> </tr> </tbody> </table> <p>The appropriate type of driver's licence (class 6 for motorcycle or moped and class 8 for moped) is required for the operation of these vehicles.</p> <p>A chargeable accident will affect the rating of Liability, DCPD and Collision coverage.</p> <p>3. 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If for example, the driver will be 21 two days after the effective date of the policy, the policy must be issued on the basis that the insured is 20 as that was the insured's age at the commencement of the period of insurance. Midterm change due to age is permissible, provided a request is received by</p>	Years Licenced	Learner's Permit	Valid or Regular Licence	Less than 1	0	0	1 year	0	1	2 years	0	2	3 years	0	3	4 years	0	4	5 years	0	5	FA aims to harmonize rule across all jurisdictions	This will not impact premiums
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	<p>received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01 a.m. following the date the Servicing Carrier receives the request and backdating will not be permissible.</p> <p>4. New Drivers Where the applicant, actual owner or operator holds only a Learner’s Permit the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. Refer to Rule 409:B.1.</p> <p>Accumulation of experience begins only when a permanent licence is obtained. A newly licensed driver will qualify for only Driving Record 0 for the first year. ‘Newly licensed’ does not include Learner’s Permit.</p> <p>5. Driver Training Credit no longer available</p>	<p>the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12:01 a.m. following the date the Servicing Carrier receives the request and backdating will not be permissible.</p> <p>5. New Drivers Where the applicant, actual owner or operator holds only a Learner’s Permit the risk will qualify for only Driving Record 0 until a regular motorcycle licence is obtained. Refer to Rule 409:B.1.</p> <p>Accumulation of experience begins only when a permanent licence is obtained. A newly licensed driver will qualify for only Driving Record 0 for the first year. ‘Newly licensed’ does not include Learner’s Permit.</p> <p>6. Driver Training Credit no longer available</p>		
<p>Rule 409.C.4</p> <p>Motorcycles & Mopeds</p> <p>C. Rating Notes – DCPD and Optional Physical Damage</p>	<p>4. Motorcycles 750 cc and over</p> <p>Comprehensive/Specified Perils coverage may not be provided unless:</p> <p>a) Where the vehicle is newly acquired from a dealer a copy of the purchase agreement (dated within the 15 days prior to the effective date of the insurance) must be attached to the application or the change request. The purchase agreement must confirm the vehicle’s year, make, model, serial number and purchase price.</p> <p>b) The Agent/Broker or an independent appraiser acceptable to the Servicing Carrier has completed the Motorcycle Inspection Report verifying that he/she has seen the vehicle and has verified its licence number, year, make, model and serial number with the information shown on the vehicle registration and on the application. This report must be obtained at the applicant’s expense and must be attached to the application or</p>	<p>4. Motorcycles 750 cc and over</p> <p>At the Servicing Carrier discretion, the following may be required to apply Comprehensive/Specified Perils coverage may not be provided unless:</p> <p>a) Bill of Sale: Where the vehicle is newly acquired from a dealer, a copy of the purchase agreement (dated within the 15 days prior to the effective date of the insurance) must be attached to the application or the change request. The purchase agreement must confirm the vehicle’s year, make, model, serial number and purchase price.</p> <p>OR</p> <p>b) Independent Appraisal: The Agent/Broker or an independent appraiser acceptable to the Servicing Carrier has completed the Motorcycle Inspection. The report at minimum should verifying that he/she has seen the vehicle, and has verified its licence number, year, make, model and serial number with the information shown on the vehicle registration and on the application.</p>	<p>This is not industry practice and does not been found to be of any usefulness to the underwriting process</p> <p>Changes the requirement for a motorcycle inspection to the discretion of the Servicing Carrier</p>	<p>This will not impact premiums</p> <p>This will not impact premiums</p>

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	<p>change request. If coverage is deleted from the vehicle and added again at a later date, a new inspection must accompany the request for the addition of coverage.</p>	<p>This report must be obtained at the Applicant's expense and must be attached to the application or change request. If coverage is deleted from the vehicle and added again at a later date, a new inspection must accompany the request for the addition of coverage.</p> <p>OR</p> <p>c) Motorcycle Inspection: The Agent/Broker completes the Motorcycle Inspection Report verifying that they have seen the vehicle and has verified its licence number, year, make, model and serial number with the information shown on the vehicle registration and on the application.</p>		
<p>Rule 416 E.c</p> <p>Policy Changes</p> <p>Deletions of Vehicles and Coverages</p>	<p>Deletions of Vehicles and Coverages</p> <p>a) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6.</p> <p>b) In the event that a vehicle has been written off in a claim, deletion shall not be effected prior to the day after the loss occurred. If the request for vehicle deletion is received more than 30 days after the date of loss, the deletion shall be effected:</p> <p>i) The day after the salvage is signed over to the insurer or</p> <p>ii) The date the policy is no longer under the temporary substitute auto provision, if that date is later than the date salvage was signed over.</p> <p><i>For example:</i> The vehicle has been written off in a claim June 1. On September 1 the Servicing Carrier receives a request to delete the vehicle effective June 1. Upon checking with the claims department, the</p>	<p>Deletions of Vehicles and Coverages</p> <p>c) In the event that the vehicle has been sold, and a copy of the bill of sale satisfactory to the Servicing Carrier is produced, the vehicle shall be deleted the day after the vehicle is sold. regardless of what that date might be.</p> <p><i>For example:</i> The vehicle was sold June 5. The Servicing Carrier does not receive the request to delete until September 5. If the Insured can produce a satisfactory bill of sale, the Servicing Carrier will delete the vehicle effective 12:01 a.m. June 6</p> <p>d) In the event that a vehicle has been written off in a claim, deletion shall not be effected prior to the day after the loss occurred. If the request for vehicle deletion is received more than 30 days after the date of loss, the deletion shall be effected:</p> <p>i) The day after the salvage is signed over to the insurer or</p> <p>ii) The date the policy is no longer under the temporary substitute auto provision, if that date is later than the date salvage was signed over.</p> <p><i>For example:</i> The vehicle has been written off in a claim June 1. On September 1 the Servicing Carrier</p>	<p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p>

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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies						
	<p>Servicing Carrier ascertains that salvage was signed over to the claims department on June 15. However, the insured had a rental vehicle covered under the policy's temporary substitute auto coverage until June 20. The Servicing Carrier will delete the vehicle effective 12:01 a.m. June 21.</p> <p>c) In the event the insured has placed coverage through the voluntary market, upon receipt of a copy of the replacing policy application or temporary liability card, the Servicing Carrier shall delete effective the date that replacement coverage took effect.</p>	<p>receives a request to delete the vehicle effective June 1. Upon checking with the claims department, the Servicing Carrier ascertains that salvage was signed over to the claims department on June 15. However, the insured had a rental vehicle covered under the policy's temporary substitute auto coverage until June 20. The Servicing Carrier will delete the vehicle effective 12:01 a.m. June 21.</p> <p>e) In the event the insured has placed coverage through the voluntary market, upon receipt of a copy of the replacing policy application or temporary liability card, the Servicing Carrier shall delete effective the date that replacement coverage took effect.</p>								
<p>Rule 416 H Midterm Policy Change Premium Calculation</p>	<p>H. Midterm Policy Change Premium Calculation In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date). Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>H. Midterm Policy Change Premium Calculation In regard to the period licensed, period of ownership, the period since the date of an accident, the period since the date of a conviction, the rating is always based on the position as at the effective date of the policy period, (or, in the case of a subsequent addition/substitution of a driver or addition of a vehicle as at the addition/substitution date). Midterm rerating is NOT permissible in respect of changes that occur in regard to those matters during the period of insurance merely because of the lapse of time. Midterm change due to age is permissible, provided a request is received by the Servicing Carrier within 30 days of the birthday. If the request is received after 30 days, then the change will be effective at 12.01am following the date the Servicing Carrier receives the request, and back dating will not be permissible.</p>	<p>To bring FA inline with industry practice</p> <p>To bring FA inline with industry practice</p>	<p>This will not impact premiums</p> <p>This will not impact premiums</p>						
<p>Rule 442 13C Endorsements Applicable to POL 1 (Owner's Policy)</p>	<table border="1" data-bbox="317 1227 898 1333"> <tr> <td data-bbox="317 1227 394 1333">13C</td> <td data-bbox="394 1227 579 1333">Deletion of Glass Coverage</td> <td data-bbox="579 1227 898 1333">Not offered in this section</td> </tr> </table>	13C	Deletion of Glass Coverage	Not offered in this section	<table border="1" data-bbox="976 1187 1556 1469"> <tr> <td data-bbox="976 1187 1050 1469">13C</td> <td data-bbox="1050 1187 1234 1469">Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass Endorsement Amends the Comprehensive coverage by</td> <td data-bbox="1234 1187 1556 1469">Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no</td> </tr> </table>	13C	Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass Endorsement Amends the Comprehensive coverage by	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no	<p>As of March 22, 2022, the name on 13C changed. FA manual needs to be updated for this change. FA has reviewed rules for 13C and 13D</p>	<p>This will not impact premiums</p>
13C	Deletion of Glass Coverage	Not offered in this section								
13C	Deletion of Glass Coverage Comprehensive Cover – Deletion of Glass Endorsement Amends the Comprehensive coverage by	Private Passenger Vehicles, Motor Homes and 'Light' Commercial Vehicles (excluding Trailers) Premium charged for reduced coverage is Specified Perils plus 10% of Comprehensive except for deductibles of \$1,000 or over where there is no								

**FACILITY ASSOCIATION PRINCE EDWARD ISLAND RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage. </td> <td style="width: 50%; vertical-align: top;"> discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered. </td> </tr> </table>	deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.	endorsement and aims to harmonize (if possible) across all jurisdictions.	
deleting coverage for damage to glass unless caused by a hazard included in Specified Perils coverage.	discount from the full applicable Comprehensive premium. Note: For the purposes of the Automobile Statistical Plan, the reduced coverage is reported as Comprehensive Coverage. Other Vehicles: Not offered.					
GARAGE SECTION						
Rule 602.B.a Completing the Application	When underwriting a garage policy, the following is required: a) A fully completed and signed current approved Standard Garage Application Form. This must be attached to a current approved Standard Application (APP 1) form which shows the applicant's name and address and the date and time coverage was bound. APP 1 must also be signed and dated by the applicant and agent/broker. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form; therefore, coverage may not be bound as of 12:01 a.m. on the date the application is signed. If there is any other insurance in force in respect of the risk, binding shall not be made effective before the expiry of that other insurance.	B. Completing the Application When underwriting a garage policy, the following is required: a) A fully completed and signed current approved Standard Garage Application Form, This must be attached to a current approved Standard Application (APP 1) form which showing the applicant's name and address and the date and time coverage was bound, as evidenced by the Application signed by the Insured. APP 1 must also be signed and dated by the applicant and agent/broker. Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form; therefore, coverage may not be bound as of 12:01 a.m. on the date the application is signed. If there is any other insurance in force in respect of the risk, binding shall not be made effective before the expiry of that other insurance.	To bring FA inline with industry practices	This will not impact premiums		
Rule 602.D Application D. Item 3 of the Application	D. Item 3 of the Application Specify the principal business e.g. Automobile Dealer. Should the risk have other business in respect of which automobile insurance is to be provided, then it must be listed? Any business/operation not listed is not covered.	D. Item 3 of the Application Specify the principal business e.g. Automobile Dealer, as well as all dealer/Service Plate Numbers. Should the risk have other business in respect of which automobile insurance is to be provided, then it must be listed. Any business /operation/plate number not listed is not covered.	The Plate Number will not be added on Item 3, which will eliminate the need for Plate Searches	This will not impact premiums		
Rule 611.A Renewal Processing	A. Renewal processing If the renewal involves a vehicle for which proof of insurance has been filed or is required, refer to Rule 608: Proof of Insurance. Prior to the expiry date of the policy, the Servicing Carrier shall ask the Agent/Broker to have a new Garage Rating /	A. Renewal processing If the renewal involves a vehicle for which proof of insurance has been filed or is required, refer to Rule 608: Proof of Insurance. Every 2 nd renewal, pPrior to the expiry date of the policy, the Servicing Carrier shall ask the Agent/Broker to have a	This is to reduce the number of times the Servicing Carrier needs to request a	This will not impact premiums		

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SUMMARY OF APPROVED RULE CHANGE EFFECTIVE NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	Underwriting Supplement completed and signed to update the information on record for the upcoming renewal term. Such a request shall be made well in advance of the expiry date because of the need to issue the renewal policy before the insurance expires.	new Garage Rating / Underwriting Supplement completed and signed to update the information on record for the upcoming renewal term. Such a request shall be made well in advance of the expiry date because of the need to issue the renewal policy before the insurance expires. The onus remains on the Broker to communicate any changes to the policy in between Garage Supplement requests.	Garage Supplement	
Rule 614.C Inspection Reports	C. Inspection Reports An underwriting report (Sentinel, Equifax, IAO etc.) must be ordered by the Servicing Carrier on every new garage risk. If the information in the underwriting report is not consistent with the information in the Garage Rating/ Underwriting Supplement or the garage application, the Agent/Broker, Insured and underwriting report company must be queried to resolve the inconsistency. In the event that the inconsistency cannot be resolved the matter must be referred to Facility Association Central Office.	C. Inspection Reports An underwriting report (Sentinel, Equifax, IAO etc.) must may be ordered by at the Servicing Carrier's discretion on every new garage risk. If the information in the underwriting report is not consistent with the information in the Garage Rating/ Underwriting Supplement or the garage application, the Agent/Broker, Insured and underwriting report company must be queried to resolve the inconsistency. In the event that the inconsistency cannot be resolved the matter must be referred to Facility Association Central Office. If the information received is different from than reported on the application, to the extent that the premium requires amendment, the policy shall be issued at the revised premium and coverage or the Servicing Carrier shall promptly issue a correcting policy change.	Rule changed to be at that Servicing Carriers discretion	This will not impact premiums
Rule 614.D Vehicle Plate Search Report	D. Vehicle Plate Search Report In some jurisdictions it is possible to order a report which provides a list of all vehicle plates belonging to an individual or business. In addition, the list may include vehicles leased by the Insured to other and vehicles leased to the Insured. Where the report indicates that plates are lost, stolen or returned or the Insured can provide proof of such a situation, no charge will be made for those plates. The circumstances must be clearly documented in the Servicing Carrier's file. Where available this report must be ordered by the Servicing Carrier on every new garage risk and at each renewal. NOTE: Where it is possible to order both an inspection report and a vehicle plate search report, the vehicle plate search report must be ordered. It is not necessary to order both.	D. Vehicle Plate Search Report In some jurisdictions it is possible to order a report which provides a list of all vehicle plates belonging to an individual or business. In addition, the list may include vehicles leased by the Insured to other and vehicles leased to the Insured. Where the report indicates that plates are lost, stolen or returned or the Insured can provide proof of such a situation, no charge will be made for those plates. The circumstances must be clearly documented in the Servicing Carrier's file. Where available this report must be ordered by the Servicing Carrier on every new garage risk and at each renewal. NOTE: Where it is possible to order both an inspection report and a vehicle plate search report, the vehicle plate search report must be ordered. It is not necessary to order both. In those	Rule deleted as Plate will now be shown on the Application and if not shown will not be covered	This will not impact premiums

**FACILITY ASSOCIATION PRINCE EDWARD ISLAND RATES AND RULE MANUAL
SUMMARY OF APPROVED RULE CHANGE EFFECTIVE NOVEMBER 1, 2023**

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	In those circumstances where both reports are necessary to properly assess the risk, both reports may be ordered. If the information received in the Inspection Report or Vehicle Plate Search Report is different from that reported on the application, to the extent that the premium requires amendment, the policy shall be issued at the revised premium and coverage or the Servicing Carrier shall promptly issue a correcting policy change.	circumstances where both reports are necessary to properly assess the risk, both reports may be ordered. If the information received in the Inspection Report or Vehicle Plate Search Report is different from that reported on the application, to the extent that the premium requires amendment, the policy shall be issued at the revised premium and coverage or the Servicing Carrier shall promptly issue a correcting policy change.		
DRIVER'S POLICY SECTION				
Rule 704.A.3 Binding Coverage – New Policies A. Requirements/ Procedures for binding new policies	3. The insurance shall take effect as of the time and date the coverage is bound. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 am on the date the application is signed.</i> However, except when the binding time is 12.01 a.m. of a future date, the policy shall be shown as effective at 12.01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.	3. The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed.</i> However, except when the binding time is 12:01 a.m. of a future date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date. <i>For example:</i> a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2 1. However, the coverage is in effect as of 1:00 p.m. on June 1. b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.	To bring FA inline with industry practice	This will not impact premiums
NON OWNED SECTION				
Rule 803.A.3 Binding Coverage – New Policies A. Requirements/ Procedures for	3. The insurance shall take effect as of the time and date the coverage is bound. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 am on the date the application is signed.</i> However, except when the binding time is 12.01 a.m. of a future date, the policy shall be shown as effective at 12.01 a.m.	3. The insurance shall take effect as of the time and date the coverage is bound, as evidenced by the Application signed by the Insured. <i>Under no circumstances may coverage be shown as effective prior to the date and time of completion of the application form. Therefore coverage may not be bound as of 12:01 a.m. on the date the application is signed.</i> However, except when the binding time is 12:01 a.m. of a future	To bring FA inline with industry practice	This will not impact premiums

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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
binding new policies	<p>on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 2. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>	<p>date, the policy shall be shown as effective at 12:01 a.m. on the day following the date coverage was bound. The premium rates to be applied are those in effect on the binding date.</p> <p><i>For example:</i></p> <p>a) Coverage is bound at 1:00 p.m. on June 1. The application is signed on June 1. The policy will be issued showing an effective date of 12:01 a.m. June 1. However, the coverage is in effect as of 1:00 p.m. on June 1.</p> <p>b) Coverage is bound as of 12:01 a.m. June 1. The application was signed on May 29. The policy will be issued showing an effective date of 12:01 a.m. June 1.</p>		
Rule 812 Minimum Premium & Minimum Retained Premium	<p>F. Minimum Premium</p> <p>The minimum premium for Non-Owned for POL 6, shall be \$100 and the minimum retained premium, in the event of cancellation shall be \$100.</p> <p>G. Minimum Retained Premium</p> <p>The minimum retained premium for POL 6, in the event of cancellation shall be \$100.</p>	<p>F. Minimum Premium/Minimum Retained Premium</p> <p>The minimum premium for POL 6 (Non-Owned Automobile Policy) shall be \$100 \$250 and the minimum retained premium, in the event of cancellation, shall be \$100 \$250.</p> <p>G. Minimum Retained Premium</p> <p>The minimum retained premium for POL 6, in the event of cancellation shall be \$100.</p>	Increases minimum policy premium and minimum retained premium	This may impact premiums

June 2023

**Manual of Rules and Rates
Prince Edward Island**

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

Effective October 1, 2023 Facility Association is implementing the following update for new business and renewals in Prince Edward Island:

- 2022 Private Passenger CLEAR Rate Group Tables now having an amended range of 1-12 for Accident Benefits rate groups;
- 2022 Commercial Rate Group Tables (Tables I and II).

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

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