

Manual of Rules and Rates PRINCE EDWARD ISLAND

Various Rule Changes Effective August 1, 2025 (New Business and Renewals)

Effective August 1, 2025 Facility Association is implementing the following updates for new business and renewals in Prince Edward Island:

- There are various rule changes in Private Passenger, Commercial, Public, Recreational, Garage and Driver's Policy, Non-Owned sections of the manual.
- A summary of the rule changes are attached to the Manual Bulletin on the Facility Association website.

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

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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
PRIVATE PAS	SENGER SECTION			
Table of Contents	Rule 138: Outside Prince Edward Island Exposure A. Outside Prince Edward Island Exposure Surcharge B. Currency Differential Surcharge	Rule 138: Outside Province Exposure A. Outside Prince Edward Island Exposure Surcharge B. Currency Differential Surcharge	Update name change	This will not impact premiums
Rule 111 Rating Class	Notes: Class 05 and 06 1. The vehicle is first rated as if there are no occasional drivers under age 25; premium is then charged for such occasional drivers by adding the Liability, DCPD and Collision premium for Class 05 or 06. It is not permissible to issue a policy solely at Class 05 or 06 rates. 2. The Liability limit and Collision deductible for Classes 05 or 06 drivers must be identical to the limit and deductible provided for the vehicle, except when varied by END 28 ('Reduction of Coverage as Respects Operation by Named Persons').	Notes: Class 05 and 06 1. The vehicle is first rated as if there are no occasional drivers under-age-25 years of age.; pPremium is then charged for such occasional drivers by adding the Liability, DCPD and Collision premium Coverage for Class 05 or 06. It is not permissible to issue a policy solely at Class 05 or 06 rates. 2. The Liability limit and Collision deductible for Classes 05 or 06 drivers must be identical to the limit and deductible provided for the vehicle. except when varied by END 28 ('Reduction of Coverage as Respects Operation by Named Persons').	FA manual update to align wordings across jurisdictions	This will not impact premium
Rule 113: Driving Record B. Driving Record Entitlement	Notes: 1. The driving record established applies to all coverages for which driving record is a factor. There is no split rating i.e. chargeable accidents will affect the driving record for both the Liability, DCPD and Collision.	Notes: 1. The driving record established applies to all coverages for which driving record is a factor. There is no split rating i.e. A chargeable accident will affect the rating of driving record for both the Liability, DCPD (Not available in Northwest Territories, Nunavut and Yukon) and Collision coverages.	Upon a review of FA rule there needs to be an updated to align with current rate pages	This will not impact premiums
Rule 131: Time on Risk D. Short Term Tables	3. The tables below apply to Canadian conditions. If there 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.	3. The tables below apply to Canadian conditions. If there 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 Outside of Province/Territory including U.S exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required.	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 138: Outside Prince Edward Island Exposure	Outside Prince Edward Island Exposure A. Outside Prince Edward Island Exposure Surcharge Any vehicle registered in Prince Edward Island and operated in the U.S. or another Canadian jurisdiction (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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. 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. 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 the total mileage that the vehicle will be used outside Prince Edward Island and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 144.	Ar Outside Province Exposure Ar Outside Province Exposure Surcharge Any vehicle registered in Prince Edward Island and that is operated in the U.S. or in another Canadian jurisdiction or the U.S. (excluding Nova Scotia, Prince Edward Island or Newfoundland and Labrador) is subject to 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. 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. 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 the total mileage that the vehicle will be used outside Prince Edward Island Province/Territory including the U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 144. 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.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums
	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 and END 44 only. Liability, DCPD, Accident Benefits, Uninsured Automobile, 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 and END 44 only. 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.		

Rule **Current Wording** Approved Wording Change **Premium** from impact Current on existing policies Rule 138: For each percentage point of mileage in the U.S. or other For each percentage point If this exposure is over 5% of total This may Currency applicable jurisdiction, surcharge 1% of the applicable mileage in the U.S. or other applicable Canadian jurisdiction, differential impact surcharge 1% of the applicable premium. surcharge Outside Prince premium. premiums Edward Island For example: will be discontinued Exposure **Outside Prince Edward** For example: Applicable Surcharge **Outside Province** Applicable as FA is **Island Exposure Exposure** Surcharge working 5% or less proof of towards 5% modernizing insurance required Up to 5%-or-less proof of 5% and simply 10% 10% insurance required its rating 10% 25% 25% 10% 25% 25% 50% 50% 50% 50% **Optional Physical Damage** For each percentage point of mileage in the U.S. or other **Optional Physical Damage** applicable jurisdiction, surcharge .50% of the applicable For each percentage point of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge .50% of the premium. applicable premium. For example: **Outside Prince Edward** Applicable For example: **Island Exposure** Surcharge **Outside Province** Applicable Exposure Surcharge 6% 3% 10% 5% 3% 10% 5% 25% 12.5% 25% 12.5% 50% 25% 50% 25% **B. Currency Differential Surcharge B. Currency Differential Surcharge** Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to Whenever proof of insurance is required by U.S. authorities, a currency differential surcharge is added to the Liability the Liability premium to provide for the potential additional loss arising from the payment of a claim in U.S. premium to provide for the potential additional loss arising dollars. 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 The currency differential is the rate of exchange being date the premium is calculated by the Servicing Carrier for charged for the U.S. dollar, to the nearest cent, as at the date policy issuance. The Servicing Carrier shall use the Bank the premium is calculated by the Servicing Carrier for policy of Canada closing rate from the previous published day. 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 surcharge percentage is calculated by means of the

following formula:

the following formula:

Approved Wording

Change

Premium

Current Wording

Rule

		Approved Horaling	from Current	impact on existing policies
Rule 138:	Currency differential x Outside Prince Edward Island exposure surcharge	Currency differential x Outside Prince Edward Island exposure surcharge	Currency differential	This may impact
Outside Prince Edward Island	For example:	For example:	surcharge will be	premiums
Exposure	The rate of exchange for the U.S. dollar is 1.3085 Canadian.	The rate of exchange for the U.S. dollar is 1.3085 Canadian.	discontinued as FA is	
	Therefore the currency differential is 0.31.	Therefore the currency differential is 0.31.	working towards	
	The Outside Prince Edward Island exposure surcharge is 25%.	The Outside Prince Edward Island exposure surcharge is 25%.	modernizing and simply	
	Currency differential surcharge: 0.31 X 25% = 7.75%	Currency differential surcharge:	its rating	
	The Currency differential surcharge is	The Currency differential surcharge is		
	Applied only to the Liability premium (Road/Passenger Hazard) not DCPD.	Applied only to the Liability premium (Road/Passenger Hazard) not DCPD.		
		,		
	2. Not subject to a minimum surcharge.	2. Not subject to a minimum surcharge.		
	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.		
	Example:	Example:		
	The Liability premium is \$1,000	The Liability premium is \$1,000		
	Outside P.E.I. Exposure Surcharge is 25%	Outside P.E.I. Exposure Surcharge is 25%		
	The Currency Differential Surcharge is 75%	The Currency Differential Surcharge is 75%		
	Base Premium \$1,000	Base Premium \$1,000		
	Outside P.E.I. Exposure \$1,000 X .25 = \$250	Outside P.E.I. Exposure \$1,000 X .25 = \$250		
	Currency Differential \$1,000 X 7.75 = \$78 Total Liability premium \$1,328	Currency Differential \$1,000 X 7.75 = \$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 Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50	6. The combined dollar value of the currency differential surcharge and the Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per		
	per policy term.	policy term.		
	For example: Using the example above, the dollar value of the Outside Prince Edward Island exposure surcharge is	For example: Using the example above, the dollar value of the Outside Prince Edward Island exposure surcharge is \$250		
	\$250 and the dollar value of the currency differential	and the dollar value of the currency differential surcharge is		
	surcharge is \$78. The total combined dollar value is \$328, well exceeding the minimum required.	\$78. The total combined dollar value is \$328, well exceeding the minimum required.		
	wen exceeding the minimum required.	ine minimum required.		

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 the vehicle is operated outside Prince Edward Island, Prince Edward Island rates and a surcharge apply. Refer to Rule 138: Outside Prince Edward Island Exposure. 3. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. If t the out of jurisdiction 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 (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. 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 being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in Charlottetown, is on a sabbatical in California and the vehicle is registered in Prince Edward Island, Prince Edward Island rates apply. 	 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 the vehicle is operated outside Prince Edward Island, Prince Edward Island rates and a surcharge apply. Refer to Rule 138: Outside Prince Edward Island Exposure. 2. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. 4. If t the out of jurisdiction 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 (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. 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. 3. If the vehicle is operated outside the jurisdiction being used in the U.S., it must be rated in the territory in 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. For example: The Insured lives in Charlottetown, is on a sabbatical in California and the vehicle is registered in Prince Edward Island, Prince Edward Island rates apply. 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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
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 or 08-19 using the appropriate driving record. There is no surcharge for Outside Prince Edward Island 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 Prince Edward Island 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 or 08-19 using the appropriate driving record. There is no surcharge for Outside Province/Territory 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 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.	 A. Definition 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. 	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	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.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will 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.	 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. 		
	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	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		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	 (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 	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	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	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	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		
	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	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		
	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	 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 		
	 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. 	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.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	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	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	FA aims to harmonize the wordings across all sections and	This will not impact premiums
	experience rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 149.	rating in the event the above criteria are not met, and fails to otherwise meet other fleet rating criteria outlined under Rule 149.	jurisdictions for the fleet rating of risk	
	B. Fleet Rating	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 in FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date so as to facilitate experience 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 so as to facilitate experience rating.		
	Experience rating includes the following:	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. 	 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.	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.	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.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149:		If a risk insured through FA meets the definition of a fleet, any vehicles added to the policy will be experience rated. The	FA aims to harmonize	This will not impact
Fleets		policy including any subsequent renewals will remain experience rated until the risk no longer meets the definition of fleet.	the wordings across all sections and jurisdictions	premiums
		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.	for the fleet rating of risk	
	Midterm 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 149:B. Fleet Rating.	Midterm 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 149:B. Fleet 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 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.		
	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,	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		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: Fleets	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, 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". 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	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, 1997 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". 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	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	questionnaire.	questionnaire.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149:	2. Incomplete Fleet submission forms	2. Incomplete Fleet submission forms	FA aims to	This will
Fleets	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.	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.	harmonize the wordings across all sections and jurisdictions for the fleet	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.	3. The Applicant must understand that: The risk is bound from the effective date shown and an earned premium shall be charged.	rating of risk	
	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.	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 138: Outside Prince Edward Island Exposure.	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: Outside Prince Edward Island Exposure.		
	The Servicing Carrier may require payment of additional fees if proof of insurance has to be issued. See Rule 137 Proof of Insurance.	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.	Fleets cannot be issued with a term of 6 months.		
	The applicant(s) must sign and date all documentation where indicated.	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 Outside Prince Edward Island 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 149:	Servicing Carrier will also assist in determining rate groups which are not published.	Servicing Carrier will also assist in determining rate groups which are not published.	FA aims to harmonize	This will not impact
Fleets	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-	the wordings across all sections and jurisdictions for the fleet rating of risk	premiums
	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.	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.	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 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	G. 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 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 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 receiving notice of the additional premium, the earned		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149: 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 they want to cancel the policy. On July 18, 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 rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium. 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 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 they want to cancel the policy. On July 18, the Agent/Broker advises the insured 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 rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium. 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. 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 and the Agent/Broker requests cancellation for non-payment on October 10. The earned premium will be	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	premium will be calculated pro rata on a premium of \$12,000.	calculated pro rata on a premium of \$12,000.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 149:	7. Premium Calculation	7. Premium Calculation	FA aims to harmonize	This will not impact
Fleets	Note: Refer to Rule 124 on rating of experience (fleet) rated risk. For other classes of business, refer to the	Note: Refer to Rule 124 on rating of experience (fleet) rated risk. For other classes of business, refer to the	the wordings across all sections and jurisdictions for the fleet	premiums
	appropriate section of the manual.	appropriate section of the manual.	rating of risk	
	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.	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.	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.	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.	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 152 Endorsements Applicable to POL 1 (Owner's Policy)	Standard Endorsement Form Number, Title and Purpose 28 Reducing Coverage for Named Persons This endorsement is used if the coverages provided by the policy are to be restricted when certain named operators are driving the vehicle.	REMOVE	FA manual update to align wordings across jurisdictions which have endorsement 28A	This will not impact premium

Rule

Current Wording

Approved Wording

Change

Premium

Kule	Current wording	Approved wording	from Current	impact on existing policies
COMMERCIA	AL SECTION			
Table of Contents	Rule 228: Outside Province Exposure A. Outside Province 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)	Update name change	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.	Including reference of U.S. exposure to Outside Province / Territory exposure	This may impact premiums
Rule 212.B.	2. Excess Trailers	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 and DCPD 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.	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 and DCPD 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.	harmonize the wordings across all jurisdictions	impact premium
	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%.	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 premium for each of those trailers will be reduced by 50%.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 215:E	2. Calculating Premium with Outside Province /	2. Calculating Premium with Outside Province /	Currency	This may
	Territory Exposure:	Territory Exposure:	differential	impact
Premium Determination	Towing Vehicles Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1.	Towing Vehicles Calculate the 'manual' premium for the required coverages and deductibles using steps outlined in Rule 215:E.1. Towing Vehicles	surcharge will be discontinued as FA is working towards	premiums
	Towing Vehicles	Coverage Description	modernizing	
	Coverage Description Liability 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.	Liability Calculate the Outside Province/Territory exposure surcharge for Liability and add to that the currency differential surcharge. Apply to the premium. Then apply any fleet rating or accident/conviction surcharge to the resulting premium.	and simply its rating	
Rule 228: Outside Province	Any commercial or interurban vehicle that is operated in the U.S., or another Canadian jurisdiction, is subject to a surcharge (or discount).	Any commercial or interurban vehicle that is operated in the U.S., or another Canadian jurisdiction, is subject to a surcharge (or discount).	Currency differential surcharge will be	This may impact premiums
Exposure	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.	discontinued as FA is working towards	
	Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required on vehicles traveling outside of the jurisdiction of registration, including into the U.S.	Refer to Rule 200.D for a list of Supplementary Underwriting documents that may be required on vehicles traveling outside of the jurisdiction of registration, including into the U.S.	modernizing	
	If the Named Insured(s) has no prior insurance, refer to Rule 204.G: No Prior Insurance with Out-of-Province including U.S. Exposure.	If the Named Insured(s) has no prior insurance, refer to Rule 204.F: No Prior Insurance with Out of Province including U.S. Exposure.		
	NOTE: If the Named Insured has not previously traveled outside of the Province or into the U.S., the vehicle(s) shall be underwritten with 75% Out of Province or U.S. <i>Exposure surcharge.</i> This applies to both Commercial and Interurban Vehicles.	NOTE: If the Named Insured has not previously traveled outside of the Province or into the U.S., the vehicle(s) shall be underwritten with 75% Out of Province or U.S. Exposure surcharge. This applies to both Commercial and Interurban Vehicles.		
	A. Outside Province Exposure Surcharge (excluding	A. Outside Province Exposure Surcharge (excluding		
	Interurban Vehicles)	Interurban Vehicles)		

Rule	Curre	nt Wording	Арр	roved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	refer to Rule 228.C to de surcharges. The percentage of exposur including the U.S., will be a International Fuel Tax Agreeports from the last four opreceding the effective dat. If the Named Insured does contact your Servicing Carto confirm the percentage Province, including U.S. ex. NOTE: Where vehicles are must be asked whether or filed and, if so, in what am will be completed using the limit based on the type of transported and State requivalent Liability, Accident Benefit DCPD, END 44 If this exposure is 5.0% or U.S. or applicable Canadia will apply to Liability, Accident End will apply to Liability, Accident Benefit Canadia will apply to Liability accident Benefit Canadia will accident Benefit Cana	re outside of the Province, determined based on the element (IFTA) assessment (4) quarters immediately re of the policy or endorsement is not participate in IFTA, please rier for the documents required of exposure outside the prosure. The operated in the U.S., Insureds not proof of insurance must be rount. If eligible, U.S. Filings a minimum FMCSA required carriage, commodity sired. The insured Automobile, the less of total mileage in the in jurisdiction, a 5% surcharge dent Benefits, Uninsured	The percentage of exposithe U.S., will be determined Tax Agreement (IFTA) as (4) quarters immediately policy or endorsement. If the Named Insured docton tact your Servicing Catconfirm the percentage of including U.S. exposure. NOTE: Where vehicles as must be asked whether of filed and, if so, in what a be completed using the ponth on the type of carriage, or required. Liability, Accident Bender DCPD, END 44 If this exposure is 5.0% applicable Canadian juris Liability, Accident Benefit END 44. If this exposure is over 5	s (Class 61, 62, 63, 64, 99), refermine the applicable surcharges. The outside of the Province, including the based on the International Fuel issessment reports from the last four preceding the effective date of the estate of	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums

Rule		ent Wording		roved Wording	Change from Current	Premium impact on existing policies
Rule 228:	Optional Physical Dama		Optional Physical Dama	age	Currency	This may
	For each percentage point	t of total mileage in the U.S. or	For each percentage point	t of total mileage in the U.S. or	differential	impact
Outside	applicable Canadian juriso	liction, surcharge .50% of the	applicable Canadian juriso	diction, surcharge .50% of the	surcharge	premiums
Province	applicable premium.		applicable premium.		will be	
Exposure	For example:		For example:		discontinued	
	Outside Province	Applicable	Outside Province	Applicable	as FA is	
	Exposure	Surcharge	Exposure	Surcharge	working	
	5%	2.5%	5%	2.5%	towards	
	10%	5%	10%	5%	modernizing	
	25%	12.5%	25%	12.5%	and simply	
	50%	25%	50%	25%	its rating	
	the Liability premium to p additional loss arising fror dollars. The currency differential i charged for the U.S. dolla date the premium is calcu policy issuance. The Servi of Canada closing rate fro	nce is required by U.S. Iferential surcharge is added to Irovide for the potential In the payment of a claim in U.S. Is the rate of exchange being Ir, to the nearest cent, as at the Islated by the Servicing Carrier for Icing Carrier shall use the Bank In the previous published day	Liability premium to provi arising from the payment The currency differential i charged for the U.S. dolla the premium is calculated issuance. The Servicing C closing rate from the prev	nce is required by U.S. Ferential surcharge is added to the ide for the potential additional loss of a claim in U.S. dollars. Is the rate of exchange being or, to the nearest cent, as at the did by the Servicing Carrier for policitaries shall use the Bank of Canada vious published day	ate /	
	the following formula:	age is calculated by means of Percentage of U.S. Exposure	following formula: Currency differential x For example:	age is calculated by means of to the properties of U.S. Exposure the U.S. dollar is 1.3085 Canadian		
	Canadian. Therefore the covehicle travels outside the	currency differential is 0.31. The e Province 50% of the time. Of ovince Exposure the vehicle of the time.	Therefore the currency disoutside the Province 50%	fferential is 0.31. The vehicle travered the time. Of that 50% total to the U.S. the vehicle travels into the U.S.		
	0.31 X 25% = 7.75%		- 0.31 × 25% = 7.759			
	The currency differentia		The currency differenti			
		iability premium, not DCPD.	-	iability premium, not DCPD.		
	2. Not subject to a min		2. Not subject to a min			
		additional surcharge and not to		additional surcharge and not to b	e	
	be compounded.		compounded.			
	Example:		Example:			
	The Liability premium is	\$1,000	The Liability premium is	\$1,000		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 228: Outside Province Exposure	The percentage of Outside Province Exposure is: 50% The percentage of U.S. Exposure is: 25% The Currency Differential Surcharge is: 7.75% Note: In this example, the Currency Differential Surcharge is calculated based on the U.S. Exposure of 25% Base Premium \$1,000 Outside Province Exposure Surcharge \$500 (\$1,000 x 0.5) Currency Differential (\$1,000 x 0.0775) \$78 Total Liability premium \$1,578 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 Outside Province exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Province exposure surcharge is \$500 and the dollar value of the Currency Differential Surcharge is \$78. The total combined dollar value is \$578, well exceeding the minimum required. C. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	The percentage of Outside Province Exposure is: 50% The percentage of U.S. Exposure is: 25% The Currency Differential Surcharge is: 7.75% Note: In this example, the Currency Differential Surcharge is calculated based on the U.S. Exposure of 25% Base Premium \$1,000 Outside Province Exposure Surcharge \$500 Currency Differential (\$1,000 × 0.0775) \$78 Total Liability premium \$1,578 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 Outside Province exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Province exposure surcharge is \$78. The total combined dollar value is \$578, well exceeding the minimum required. B. Interurban Outside Province Exposure Surcharge (Excluding Commercial Vehicles)	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 239: Fleets	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 in FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date so as to facilitate experience rating. 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.	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 so as to facilitate experience rating. 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. e) Any additional supplements such as drivers list, taxi questionnaire.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may 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 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	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 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.		

Rule		Current Wording		Approved Wording	Change from Current	Premium impact on existing policies
Rule 243 Endorsements Applicable to POL 1 (Owner's Policy)	28	Standard Endorsement Form Number, Title and Purpose Reducing Coverage for Named Persons This endorsement is used if the coverages provided by the policy are to be restricted when certain named operators are driving the vehicle.	Rating No premium reduction	REMOVE	FA manual update to align wordings across jurisdictions which have endorsement 28A	This will not impact premium
PUBLIC SECT	ON					
Table of Contents	Α.	325: Outside Prince Edward Islar Outside Prince Edward Island Expose Currency Differential Surcharge		Rule 325: Outside Province Exposure A. Outside Prince Edward Island Exposure Surcharge B. Currency Differential Surcharge	Update name change	This will not impact premiums
Rule 306: Rating Territory	For vehicles used in jurisdictions other than Prince Edward Island, refer to Rule 330 Vehicles Used Outside Jurisdiction of Registration and Rule 325 Outside Prince Edward Island Exposure surcharge. Outside Prince Edward Island exposure surcharge and currency differential surcharge are to be applied where required.		tside outside Prince de Prince rrency	For vehicles used in jurisdictions other than Prince Edward Island, refer to Rule 330 Vehicles Used Outside Jurisdiction of Registration and Rule 325 Outside Prince Edward Island Exposure surcharge. Outside Province/Territory exposure surcharge and currency differential surcharge are be applied where required.	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 308: Rating	 E. Premium Determination Ensure that the vehicle is a Public Vehicle. Establish the rating territory Establish the rating class, including any special factors. Establish the driving record Establish the rate group and minimum deductible. Refer to the rate page and the rate per vehicle, per seat or percentage of underlying class. Develop the total premium for each coverage Apply any required U.S. exposure and currency differential surcharge. Apply fleet rating or any accident/conviction surcharge. 		mum e and the rate f underlying ch coverage and currency	 E. Premium Determination Ensure that the vehicle is a Public Vehicle. Establish the rating territory Establish the rating class, including any special factors. Establish the driving record Establish the rate group and minimum deductible. Refer to the rate page and the rate per vehicle, per seat or percentage of underlying class. Develop the total premium for each coverage Apply any required Outside Province/Territory including U.S. exposure and currency differential surcharge. 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 may impact premiums

Rule	Current Wording Approved Wording		Current Wording Approved Wording		Change from Current	Premium impact on existing policies
Rule 309: Driving Record B. Driving Record Entitlement	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. A chargeable accident will affect the rating of the Liability, DCPD (Not available in Northwest Territories, Nunavut and Yukon) and Collision coverages.	Upon a review of FA rule there needs to be an updated to align with current rate pages	This will not impact premiums		
Rule 318: Time on Risk D. Short Term Tables	3. The tables below apply to Canadian conditions. If there 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.	3. The tables below apply to Canadian conditions. If there 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 Outside of Province/Territory including U.S exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required.	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums		
Rule 325: Outside Prince Edward Island Exposure	Outside Prince Edward Island Exposure A. Outside Prince Edward Island Exposure Surcharge Any vehicle registered in Prince Edward Island and operated in the U.S. or another Canadian jurisdiction (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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.	Outside Province Exposure An Outside Province Exposure Surcharge Any vehicle registered in Prince Edward Island and that is operated in the U.S. or another Canadian jurisdiction or the U.S. (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums		
	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. 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 the total mileage that the vehicle will be used outside Prince Edward Island and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 330 and the relevant section of the manual.	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. 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 the total mileage that the vehicle will be used outside Prince Edward Island Province/Territory including U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 330 and the relevant section of the manual.				

Rule	Current V	Vording	Approve	d Wording	Change from Current	Premium impact on existing policies
Rule 325:			NOTE: Where vehicles are ope		Currency	This may
			Agents/Brokers must ask Insu		differential	impact
Outside Prince			insurance must be filed and, if	so, in what amount.	surcharge	premiums
Edward Island	75.11:		75.11.	6.1	will be	
Exposure	If this exposure is 5.0% or les surcharge shall be waived unle		If this exposure is 5.0% or les surcharge shall be waived unle		discontinued as FA is	
	required by authorities. In this			case a 5% surcharge will apply	working	
	apply to Liability (Road Hazard		to Liability (Road Hazard and F		towards	
	DCPD, Accident Benefits, Unin		Accident Benefits, Uninsured A		modernizing	
	44 only.	54.647.450656 44 2.12	, todadine Berreines, etimodrea,	,.	and simply	
	,		Liability, Accident Benefits,	Uninsured Automobile,	its rating	
	Liability, DCPD, Accident Be	enefits, Uninsured	DCPD , END 44	·		
	Automobile, END 44			s of total mileage in the U.S. or		
				n, a 5% surcharge will apply to		
			Liability, Accident Benefits, Un	insured Automobile and DCPD.		
	For each percentage point of rapplicable jurisdiction, surcharpremium.		total mileage in the U.S. or oth jurisdiction, surcharge 1% of t			
			For example:			
	For example:	1	Outside Province	Applicable		
	Outside Prince Edward Island Exposure	Applicable Surcharge	Up to 5% or less and proof	Surcharge 5%		
	Up to 5% or less and proof	5%	of insurance required	3%		
	of insurance required	3 70	10%	10%		
	10%	10%	25%	25%		
	25%	25%	50%	50%		
	50%	50%	Optional Physical Damage			
	Optional Physical Damage		For each percentage point of t	otal mileage in the U.S. or		
	For each percentage point of r applicable jurisdiction, surchar premium.		other applicable Canadian juris applicable premium	sdiction, surcharge .50% of the		
	For example:		For example:			
	Outside Prince Edward	Applicable	Outside Province	Applicable		
	Island Exposure	Surcharge	Exposure	Surcharge		
	6%	3%	6%	3%		
	10%	5%	10%	5%		
	25%	12.5%	25%	12.5%		
	50%	25%	50%	25%		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325:	B. Currency Differential Surcharge	B. Currency Differential Surcharge	Currency	This may
Outside Prince Edward Island Exposure	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.	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.	differential surcharge will be discontinued as FA is working	impact premiums
	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 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.	towards modernizing and simply its rating	
	The surcharge percentage is calculated by means of the following formula:	The surcharge percentage is calculated by means of the following formula:		
	Currency differential x Outside Prince Edward Island exposure surcharge	Currency differential x Outside Prince Edward Island exposure surcharge		
	For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian.	For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian.		
	Therefore the currency differential is 0.31.	Therefore the currency differential is 0.31.		
	The Outside Prince Edward Island exposure surcharge is 25%. Currency differential surcharge: 0.31 X 25% = 7.75%	The Outside Prince Edward Island exposure surcharge is 25%. Currency differential surcharge:		
	The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) not DCPD	The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) not DCPD		
	2. Not subject to a minimum surcharge.	2. Not subject to a minimum surcharge.		
	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.		
	Example: The Liability premium is \$1,000 Outside P.E.I. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 Outside P.E.I. Exposure \$1,000 X .25 \$250	Example: The Liability premium is \$1,000 Outside P.E.I. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 Outside P.E.I. Exposure \$1,000 X .25 \$250		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 325: Outside Prince Edward Island Exposure	 Currency Differential \$1,000 X 7.75 = 77.50 \$78 Total Liability premium \$1,328 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. The combined dollar value of the currency differential surcharge and the Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Prince Edward Island 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 \$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 Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Prince Edward Island 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 may 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. 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. If the vehicle is operated outside Prince Edward Island, Prince Edward Island rates and a surcharge apply. Refer to Rule 325: Outside Prince Edward Island Exposure. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. If the out of jurisdiction 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 (Road Hazard and Passenger Hazard), DCPD, Accident Benefits and Uninsured Automobile. 	 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. 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. If the vehicle is operated outside Prince Edward Island, Prince Edward Island rates and a surcharge apply: Refer to Rule 325: Outside Prince Edward Island Exposure. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. If the out of jurisdiction 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 (Road Hazard and Passenger Hazard), DCPD, Accident Benefits and Uninsured Automobile. 	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	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 being used in the U.S., it must be rated in the territory in which it is registered. For example: The insured lives in Charlottetown, is on a sabbatical in California and the vehicle is registered in Prince Edward Island. Prince Edward Island rates apply.	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. 3. If the vehicle is operated outside the jurisdiction being used in the U.S., it must be rated in the territory in 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. For example: The insured lives in Charlottetown, is on a sabbatical in California and the vehicle is registered in Prince Edward Island. Prince Edward Island rates apply. 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
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 or 08-19 using the appropriate driving record. There is no surcharge for Outside Prince Edward Island 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 Prince Edward Island 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 or 08-19 using the appropriate driving record. There is no surcharge for Outside Province/Territory 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 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 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 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. 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 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. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk 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	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 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. 	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	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.		
	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	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		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	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 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, and of	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	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	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	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		
	new business applications. A copy of the common management agreement will be required on subsequent renewals to maintain experience rating.	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.	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.		
	B. Fleet Rating	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 in FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date so as to facilitate experience rating. Experience rating includes the following:	Fleets are subject to experience rating as of the commencement date of each policy period. If the fleet is insured—in through FA by two or more policies issued by one or more Servicing Carriers, the policies must have a common expiry date so as to facilitate experience rating. Experience rating includes the following:		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	 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. 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. 	 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. 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. 	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	Midterm 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 335:B. Fleet 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.	Midterm 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 335:B. Fleet 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.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	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. 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.	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.		
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Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	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.	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.	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 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 This form provides additional information about the risk. 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. 	 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 335:	3. The Applicant must understand that:	3. The Applicant must understand that:	FA aims to	This will
	The risk is bound from the effective date shown and an	The risk is bound from the effective date shown and an	harmonize	not impact
Fleets	earned premium shall be charged.	earned premium shall be charged.	the wordings	premiums
	The application is subject to the Facility Association fleet		across all	
	rating formula and the resulting premium may be	The application is subject to the Facility Association fleet	sections and	
	substantially greater than the base premium quoted by	rating formula and the resulting premium may be	jurisdictions	
	the Agent/Broker.	substantially greater than the base premium quoted by the Agent/Broker.	for the fleet rating of risk	
	If proof of insurance is required by U.S. authorities, a	Agenty broker.	rating of risk	
	Currency differential surcharge shall be applied to the	If proof of insurance is required by U.S. authorities, a		
	Liability premium (road hazard, passenger hazard). See	Currency differential surcharge shall be applied to the Liability		
	Rule 325: Outside Prince Edward Island Exposure.	premium (road hazard, passenger hazard). See Rule 325:		
	·	Outside Prince Edward Island Exposure.		
	The Servicing Carrier may require payment of additional	· ·		
	fees if proof of insurance has to be issued. See Rule 324:	The Servicing Carrier may require payment of additional fees		
	Proof of Insurance.	if proof of insurance has to be issued. See Rule 324: Proof of		
		Insurance.		
	Fleets cannot be issued with a term of 6 months.	Fleets cannot be issued with a term of 6 months.		
	The applicant(s) must sign and date all documentation where indicated.	The applicant(s) must sign and date all decumentation where		
	where indicated.	The applicant(s) must sign and date all documentation where indicated.		
	4. Agent/Broker responsibilities:	maicacca.		
	Submit all fully completed and signed fleet submission	4. Agent/Broker responsibilities:		
	forms. Items on the binder application dealing with	Submit all fully completed and signed fleet submission forms.		
	specific vehicles are to be answered 'Fleet Policy'.	Items on the binder application dealing with specific vehicles		
	Incomplete forms shall be returned for completion	are to be answered 'Fleet Policy'. Incomplete forms shall be		
	resulting in policy issuance delays.	returned for completion resulting in policy issuance delays.		
	Drawitten are to be expendented at Driving December 2	Dramitums are to be calculated at Driving Decord C and recet		
	Premiums are to be calculated at Driving Record 0 and must include the Outside Prince Edward Island Exposure	Premiums are to be calculated at Driving Record 0 and must include the Outside Province/Territory Exposure surcharge if		
	Surcharge if applicable.	applicable.		
	Surcharge if applicable.	аррисавие.		
	If the manual does not provide information for rating a	If the manual does not provide information for rating a		
	particular risk, the Servicing Carrier will assist the	particular risk, the Servicing Carrier will assist the		
	Agent/Broker in establishing a method of rating. The	Agent/Broker in establishing a method of rating. The		
	Servicing Carrier will also assist in determining rate	Servicing Carrier will also assist in determining rate groups		
	groups which are not published.	which are not published.		
	Callant forms the smaller at the			
	Collect from the applicant the premium quoted at driving	Called from the Applicant the promiting quoted at details		
	record 0 or arrange a premium finance contract. The	Collect from the Applicant the premium quoted at driving		
	Agent/Broker is responsible for the pro rata earned premium based on the correct premium calculation at	record 0 or arrange a premium finance contract. The Agent/Broker is responsible for the pro rata earned premium		
	Driving Record 0 in the event of non-payment by the	based on the correct premium calculation at Driving Record 0		
	insured.	in the event of non-payment by the Insured.		
	initial car	in the event of non-payment by the mourea.		1

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: 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: 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 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	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 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 prorata 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
		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	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		

Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
been promulgated at a premium of \$12,000. The Agent/Broker advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the insurer to cancel the policy for non-payment. Because the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.	promulgated at a premium of \$12,000. The Agent/Broker advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the insurer to cancel the policy for non-payment. Because the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium.	If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium. 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.		
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	7. Premium Calculation		
 Notes Refer to Rule 313 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual. 	 Refer to Rule 313 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual. 		
	been promulgated at a premium of \$12,000. The Agent/Broker advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the insurer to cancel the policy for non-payment. Because the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000. If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium. 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 Notes Refer to Rule 313 on rating of experience (fleet) rated risk. For other classes of business, refer to the	been promulgated at a premium of \$12,000. The Agent/Broker advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the insured to cancel the policy of non-payment. Because the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000. If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium. 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 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially the same fleet for the same insured to the Servicing Carrier, quoting a premium of \$10,000 and the Agent/Broker resubmits substantially th	been promulgated at a premium of \$12,000. The Agent/Broker advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000. If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium, will be quoted at the full rate and not the individual vehicle premium. 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 \$12,000 and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker receives it on September 22. The insured again rejects the additional premium and the Agent/Broker receives it on September 12. The carrier day and the agent/Broker receives it on September 12. The carrier day application for non-payment on October 10. The earned premium will be calculated pro rata on a premium of \$12,000 and the Agent/Broker receives it on September 12. The insured again rejects the additional premium and the Agent/Broker receives it on September 12. The insured again rejects the additional premium and the Agent/Broker receives it on September 12. The carrier day again rejects the additional premium and the Agent/Broker receives it on September 12. The carrier of 12. The carrier for the additional premium and the Agent/Broker receives it on September 12. The carrier of 12. The carrier for the additional premium and the Agent/Broker receives it on September 14. The carrier of 12. The carrier for the addit

Rule		Current Wording		Approved Wording	Change from Current	Premium impact on existing policies
Rule 335: Fleets	Prior Service certain record Such expired policy expired the aunless have	a request will usually be made well in y date because of the need to issue the v/certificate/offer-to- renew before the	er to have armation on a advance of the ne renewal e insurance not be issued all completed, anth terms.	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
Rule 338		Standard Endorsement Form Number, Title and Purpose	Rating	REMOVE	FA manual update to	This will not impact
Endorsements Applicable to POL 1 (Owner's Policy)	28	Reducing Coverage for Named Persons This endorsement is used if the coverages provided by the policy are to be restricted when certain named operators are driving the vehicle.	No premium reduction		align wordings across jurisdictions which have endorsement 28A	premium
RECREATION	AL SE	CTION				
Table of Contents	A.	427: Outside Prince Edward Islan Outside Prince Edward Island Expost Currency Differential Surcharge		Rule 427: Outside Province Exposure A. Outside Prince Edward Island Exposure Surcharge B. Currency Differential Surcharge	Update name change	This will not impact premiums
Rule 407:	D. Us	se Outside Jurisdiction in Which V	ehicle is	D. Use Outside Jurisdiction in Which Vehicle is	FA aims to	This will
Policy Issuance – General	If the jurisd detail the ap	re is regular or frequent use of a veh liction in which the vehicle is usually of s must be submitted to the Servicing ppropriate rates may be established. re is regular or frequent use in the U. 427: Outside Prince Edward Island Ex	garaged, full Carrier so that S. refers to	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. Refers to Rule 427: Outside Prince Edward Island Exposure.	harmonize and simplify the wording across all jurisdictions	not impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 409: Motorcycles & Mopeds B. Driving Record	1. Driving Record Entitlement The driving record established applies to all coverage. A chargeable accident will affect the rating of the Liability, DCPD and Collision coverages.	1. Driving Record Entitlement The driving record established applies to all coverage 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.	Upon a review of FA rule there needs to be an updated to align with current rate pages	This will not impact premiums
Rule 419: Time on Risk D. Short Term Tables	3. The tables below apply to Canadian conditions. If there 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.	3. The tables below apply to Canadian conditions. If there 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 Outside of Province/Territory including U.S exposure is applicable, except where the vehicle is used for personal use only and proof of insurance is not required.	Including reference of U.S. exposure to Outside Province / Territory exposure	This will impact premiums
Rule 427: Outside Prince Edward Island Exposure	Outside Prince Edward Island Exposure A. Outside Prince Edward Island Exposure Surcharge Any vehicle registered in Prince Edward Island and operated in the U.S. or another Canadian jurisdiction (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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.	Outside Province Exposure Any vehicle registered in Prince Edward Island and that is operated in the U.S. or another Canadian jurisdiction or the U.S. (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums
	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. 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 the total mileage that the vehicle will be used outside Prince Edward Island and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 433 and the relevant section of the manual.	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. 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 the total mileage that the vehicle will be used outside Prince Edward Island-Province/Territory including the U.S. and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 433 and the relevant section of the manual.		

Rule	Current \	Vording	Approve	ed Wording	Change from Current	Premium impact on existing policies
Rule 427:			NOTE: Where vehicles are op	erated in the U.S.,	Currency	This may
			Agents/Brokers must ask Insu	ireds whether or not proof of	differential	impact
Outside Prince			insurance must be filed and, i	f so, in what amount.	surcharge	premiums
Edward Island					will be	
Exposure	If this exposure is 5.0% or les		If this exposure is 5.0% or les		discontinued	
	surcharge shall be waived unle		surcharge shall be waived unl	ess proor or insurance is s case a 5% surcharge will appl	as FA is	
	required by authorities. In this apply to Liability (Road Hazard		to Liability (Road Hazard and		working towards	
	DCPD, Accident Benefits, Unin		Accident Benefits, Uninsured		modernizing	
	44 only.	Sarea Aacomobile and END	Accident Benefits, Offinsured A	ratemobile and END 11 only.	and simply	
					its rating	
	Liability, DCPD, Accident Bo	enefits, Uninsured	Liability, Accident Benefits	, Uninsured Automobile,		
	Automobile, END 44		DCPD, END 44			
				ss of total mileage in the U.S. or		
			applicable Canadian jurisdiction	on, a 5% surcharge will apply to		
				ninsured Automobile, DCPD and		
			END 44			
	For each percentage point of rapplicable jurisdiction, surcharpremium.		total mileage in the U.S. or et jurisdiction, surcharge 1% of			
	For example:	1	For example:			
	Outside Prince Edward	Applicable	Outside Province	Applicable		
	Island Exposure	Surcharge	Exposure	Surcharge		
	5% or less and proof of	5%	Up to 5% or less and proof	5%		
	insurance required	3 70	of insurance required	3 70		
	10%	10%	10%	10%		
	25%	25%	25%	25%		
	50%	50%	50%	50%		
	Optional Physical Damage		Optional Physical Damage			
	For each percentage point of r		For each percentage point of t			
	applicable jurisdiction, surchar premium.	rge .50% of the applicable	other-applicable Canadian juri applicable premium.	isdiction, surcharge .50% of the		
	For example:		For example:			
	Outside Prince Edward	Applicable	Outside Province	Applicable		
	Island Exposure	Surcharge	Exposure	Surcharge		
	6%	3%	6%	3%		
	10%	5%	10%	5%		
	25%	12.5%	25%	12.5%		
	50%	25%	50%	25%		

Rule

Current Wording

Approved Wording

Change

Premium

Kule	Current wording	Approved wording	from Current	impact on existing policies
Rule 427:	B. Currency Differential Surcharge	B. Currency Differential Surcharge	Currency	This may
Outside Prince Edward Island Exposure	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.	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.	differential surcharge will be discontinued as FA is working	impact premiums
	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:	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:	towards modernizing and simply its rating	
	Currency differential x Outside Prince Edward Island 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 Outside Prince Edward Island exposure surcharge is	Currency differential x Outside Prince Edward Island 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 Outside Prince Edward Island exposure surcharge is 25%.		
	25%. Currency differential surcharge: 0.31 X 25% = 7.75%	Currency differential surcharge:		
	 The Currency differential surcharge is Applied only to the Liability premium (Road/Passenger Hazard) not DCPD Not subject to a minimum surcharge. 	The Currency differential surcharge is 1. Applied only to the Liability premium (Road/Passenger Hazard) not DCPD 2. Not subject to a minimum surcharge.		
	Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.		
	Example: The Liability premium is \$1,000 Outside P.E.I. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 Outside P.E.I. 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.	Example: The Liability premium is \$1,000 Outside P.E.I. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium \$1,000 Outside P.E.I. 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		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 427: Outside Prince Edward Island Exposure	 Payable only when proof of insurance is required by U.S. authorities. The combined dollar value of the currency differential surcharge and the Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Prince Edward Island 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. 	 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 Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Prince Edward Island 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 may impact premiums
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. 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. If the vehicle is operated outside Prince Edward Island, Prince Edward Island rates and a surcharge apply. Refer to Rule 427: Outside Prince Edward Island Exposure. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. If this 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 (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. 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. 	 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. 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. If the vehicle is operated outside Prince Edward Island, Prince Edward Island rates and a surcharge apply. Refer to Rule 427: Outside Prince Edward Island Exposure. Surcharges do not apply to private passenger vehicles that are used for personal use only and where proof of insurance is not required. If this 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 (Road Hazard and Passenger Hazard), DCPD, Accident Benefits, Uninsured Automobile and END 44. 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

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 433: Vehicles Used Outside Jurisdiction of Registration	5. 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 Charlottetown, is on a sabbatical in California and the vehicle is registered in Prince Edward Island. Prince Edward Island rates apply.	3. If the vehicle is operated outside the jurisdiction being used in the U.S., it must be rated in the territory in which it is registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 427 to determine the surcharges applicable. For example: The insured lives in Charlottetown, is on a sabbatical in California and the vehicle is registered in Prince Edward Island. Prince Edward Island rates apply. 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
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 or 08-19 using the appropriate driving record. There is no surcharge for Outside Prince Edward Island 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 Prince Edward Island 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 or 08-19 using the appropriate driving record. There is no surcharge for Outside Province/Territory 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: A. Definition A. Definition A group of 10 or more self-propelled vehicles; • 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 £20 months of Liability insurance in the past £2 months i.e. 10 vehicles with Liability coverage for the past £2 months i.e. 10 vehicles with use of common ownership or management and used for business, commercial, or public transportation. Vehicles 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 with Liability coverage for the past £2 months of Liability insurance in the past £1 months i.e. 10 vehicles with Liability coverage for the past £2 months of Liability insurance in the past £2 months is expected in the past £2 months in the past £2 months is expected. For example: If the insured owned 10 vehicles and leased (on a long term basis) 1 vehicle that were insured for Liability in that period, there would only vehicles and expected for business of the number of policies on which those vehicles are insured has 22 months of Liability in that period, there would only vehicles insured for Liability in that period, there would only vehicles insured for Liability in that period, there would only vehicles insured for which the past £2 months of Liability in that period, there would only vehicles insured for which the past £2 months of Liability in that period, there would only vehicles insured for Liability of the past £2 months of Liability in that period, there would only vehicles insured for Liability of the past £2 months of Liability in the period, there would only vehicles insured for Liability in the period, there would only vehicles insured for Liability in the period, there would only vehicles i	Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
	110110	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 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 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	 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 others are not to be considered unless those vehicles are 	harmonize the wordings across all sections and jurisdictions for the fleet	not impact

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	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 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.	 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. 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. 	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).		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	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 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.	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 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.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	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 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.	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 438.	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	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 in FA by two or more policies issued by one or	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		

from Current	impact on existing policies
at the claim; arsed to the side the an END 8 on coffered by FA coverage or Insurer had with the prior directly from crisk is asis not on a ND 21a and of a fleet, are rated. The main the definition there is no cles, the FA	This will not impact premiums
or or other control of the control o	on behalf of the ent the claim; bursed to the stside the to an END 8 on ot offered by FA he coverage for Insurer had is with the prior d directly from he risk is pasis not on a END 21a and on of a fleet, ence rated. The remain is the definition d there is no sicles, the FA occurred on all roker/Insured

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	Midterm 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 438:B. Fleet 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 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. The Collision portion of All Perils and Collision coverage shall be regarded as the same 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.	to provide the claim history documentation for the vehicles to be insured through FA. Midterm 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 438:B. Fleet 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 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. 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.	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:	C. Loss Information	C. Loss Information	FA aims to	This will
Fleets	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.	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.	harmonize the wordings across all sections and	not impact premiums
	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.	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.	jurisdictions for the fleet rating of risk	
	 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". 	 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.	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.	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.	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.	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.	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.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438:	3. The Applicant must understand that:	3. The Applicant must understand that:	FA aims to	This will
Fleets	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.	harmonize the wordings across all	not impact premiums
	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.	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.	sections and jurisdictions for the fleet rating of risk	
	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: Outside Prince Edward Island Exposure.	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: Outside Prince Edward Island 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.	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.		
	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 Prince Edward Island Exposure Surcharge if applicable.	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.	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.	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.		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: 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.	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.	FA aims to harmonize the wordings across all sections and jurisdictions for the fleet rating of risk	This will not impact premiums
	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.	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 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.	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 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 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	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		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 438: Fleets	Agent/Broker advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the insurer to cancel the policy for non-payment. Because the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000. If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium.	advises the insured of the premium increase and the insured advises they want to cancel the policy. On July 25, the Agent/Broker advises the insurer to cancel the policy for non-payment. Because the request for cancellation was received within 45 days of June 20, the earned premium will be calculated pro rata on a premium of \$10,000. If a fleet rate has been established and the policy is cancelled because the applicant rejects the premium, where a new application is submitted within 30 days of the cancellation of the fleet policy, either covering the same vehicles, or covering less than 10 vehicles individually rated, and the applicant still has at least 10 vehicles insured under different FA policies, then the premium will be quoted at the full rate and not the individual vehicle premium.	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	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. 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		
	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) rated risk. For other classes of business, refer to the appropriate section of the manual.	7. Premium Calculation Note: Refer to Rule 414 on rating of experience (fleet) rated risk. For other classes of business, refer to the appropriate section of the manual.		

Rule	Current Wording			Approved Wording	Change from Current	Premium impact on existing policies	
Rule 438:		newals		E. Renewals	FA aims to	This will	
Fleets	Servi	to the expiry of experience rated insucing Carrier may ask the Agent/Broken forms completed to update the info	er to have	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.	harmonize the wordings across all sections and jurisdictions	not impact premiums	
	expiry	a request will usually be made well in y date because of the need to issue the y/certificate/offer-to- renew before the es.	ne renewal	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.	for the fleet rating of risk		
	unles	ppropriate renewal documents shall r s and until the required forms, proper been returned.		The appropriate renewal documents shall not be issued unless and until the required forms, properly completed, have been returned.			
	Annua havin	renewals cannot be issued with 6 mo al renewals only will be issued. Policie g 6 month terms will be renewed as a eir next renewal.	es currently	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 442		Standard Endorsement Form Number, Title and Purpose	Rating	REMOVE	FA manual update to	This will not impact	
Endorsements Applicable to POL 1 (Owner's Policy)	28	Reducing Coverage for Named Persons This endorsement is used if the coverages provided by the policy are to be restricted when certain named operators are driving the vehicle.	No premium reduction		align wordings across jurisdictions which have endorsement 28A	premium	
GARAGE SEC	TION						
Table of Contents		607: Territory and Outside Prince d Exposure	e Edward	Rule 607: Territory and Outside Province Exposure	Update name change	This will not impact premiums	
Rule 607:	Terri Expo	tory and Outside Prince Edward I sure	sland	Territory and Outside Province Exposure	FA aims to harmonize	This may impact	
Territory and Outside Prince Edward Island Exposure	jurisd	es may only be issued for those locati iction in which FA operates.		Policies may only be issued for those locations in a jurisdiction in which FA operates.	and simplify the wording across all jurisdictions	premiums	
	Outsi	ide Prince Edward Island Exposur	e Surcharge	Outside Province Exposure Surcharge			
	Any v	ehicle insured under the POL 4 (Gara	ge Policy) and				

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 607: Territory and Outside Prince Edward Island Exposure	operated in the U.S. or another Canadian jurisdiction (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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. 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. 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 the total mileage that the vehicle will be used outside Prince Edward Island and the jurisdiction(s) into which the vehicle is and will be driven.	Any vehicle insured under the POL 4 (Garage Policy) and that is operated in the U.S. or another Canadian jurisdiction or the U.S. (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to a surcharge. This surcharge shall apply to all classes of vehicles where proof of insurance. 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. 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. 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 the 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. 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.	FA aims to harmonize and simplify the wording across all jurisdictions	This may impact premiums
	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 and Accident Benefits. Liability, DCPD and Accident Benefits	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 and Accident Benefits. Basic Garage Premium - Liability, Accident Benefits, Uninsured Automobile, DCPD, END 81 If the 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 81.		

Rule	C	Current Wording		Approved Wording	Change from Current	Premium impact on existing policies
Rule 607: Territory and Outside Prince Edward Island Exposure	applicable jurisdiction premium. For example: Outside Prince Edward Island Exposure 5% or less and proof of insurance required 10% 25% 50% Optional Physical D For each percentage papplicable jurisdiction premium. For example: Outside Prince Edward Island Exposure 6% 10% 25% 50% At the Servicing Carriinformation, log book	Applicable Surcharge 10% 25% 50% 20mage Point of mileage in the U.S. or other applicable Surcharge 30% 35% 12.5% 25% 25% 30% 35% 42.5%	For example: Outside Province Exposure Up to 5% or less and proof of insurance required 10% 25% 50% Basic Garage Prem For each percentage other applicable Cana applicable premium. For example: Outside Province Exposure 6% 10% 25% 50% At the Servicing Carr information, log book	Applicable Surcharge 150% In the series of the supplicable canadia ge 1% of the applicable premium Applicable Surcharge 5% 10% 25% 50% In the surcharge	harmonize and simplify the wording across all jurisdictions age 6. or % of the ax s may be	This may impact premiums

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 608: Proof of Insurance Where Notice of Cancellation or Deletion is Required	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. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for	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. dollar, to the nearest cent, as at the date the premium is calculated by the Servicing Carrier for policy	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply	This may impact premiums
	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 premium • Not subject to a minimum surcharge. • Additional to but not compounded on the Outside Prince Edward Island exposure surcharge (See Rule 607: Territory and Outside Prince Edward Island Exposure). • Additional to the Servicing Carrier's fee for filing proof of insurance.	issuance. The Servicing Carrier shall use the Bank of Canada closing rate from the previous published day. The currency differential surcharge is:	its rating	
	 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 Outside Prince Edward Island exposure surcharge. 	 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 Outside Prince Edward Island exposure surcharge. 		
	Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the Currency Differential is 0.31 Outside P.E.I. Exposure Surcharge is 25% (.25 factor) Currency Differential Surcharge is 0.31 X .25 = .0775 Liability premium \$1,000 Outside P.E.I. Exposure Surcharge .25 Currency Differential Surcharge .0775 Base premium \$1,000 Outside P.E.I. Exposure \$1,000 X .25 \$250 Currency Differential \$1,000 X .0775 = 77.50 \$78 Total Liability premium \$1,328	Sample Calculation: Rate of exchange for U.S. dollar is 1.3085 Canadian Therefore the Currency Differential is 0.31 Outside P.E.I. Exposure Surcharge is 25% (.25 factor) Currency Differential Surcharge is 0.31 X .25 = .0775 Liability premium \$1,000 Outside P.E.I. Exposure Surcharge .25 Currency Differential Surcharge .0775 Base premium \$1,000 Outside P.E.I. Exposure \$1,000 X .25 \$250 Currency Differential \$1,000 X .0775 = 77.50 \$78		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 608: Proof of Insurance Where Notice of Cancellation or Deletion is Required	C. Renewal or Offer to Renew D. Policy Cancellation, Vehicle Deletion	Total Liability premium \$1,328 B. Renewal or Offer to Renew C. Policy Cancellation, Vehicle Deletion	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums
DRIVER'S PO	LICY SECTION			
Table of Contents	Rule 726: Outside Prince Edward Island Exposure A. Outside Prince Edward Island Exposure Surcharge B. Currency Differential Surcharge	Rule 726: Outside Province Exposure A. Outside Prince Edward Island Exposure Surcharge B. Currency Differential Surcharge	Update name change	This will not impact premiums
Rule 726: Outside Prince Edward Island Exposure	A. Outside Prince Edward Island Exposure A. Outside Prince Edward Island Exposure Surcharge Any driver operating a non-owned vehicle in the U.S. or another Canadian jurisdiction (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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. 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. 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 the total mileage that the vehicle will be used outside Prince Edward Island and the jurisdiction(s) into which the vehicle is and will be driven. Refer to Rule 728 and the relevant section of the manual.	Ar Outside Province Exposure Ar Outside Province Exposure Surcharge Any driver operating a non-owned vehicle in the U.S. or another Canadian jurisdiction or the U.S. (excluding Nova Scotia, New Brunswick or Newfoundland and Labrador) is subject to 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. 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. 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 the 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 and the relevant section of the manual. 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.	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums This may impact premiums

Outside Prince surcharge shall be waived unless proof of insurance is Edward Island required by authorities. In this case a 5% surcharge will surcharge will surcharge will surcharge will surcharge will surcharge will surcharge shall be waived unless proof of insurance is required by authorities. In this case a 5% surcharge will apply	Rule	Current \	Vording	Approve	d Wording	Change from Current	Premium impact on existing policies
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 example: Outside Prince Edward Island Exposure Surcharge Surch	Rule 726: Outside Prince Edward Island Exposure	surcharge shall be waived unle required by authorities. In this apply to Liability (Road Hazard Accident Benefits, Uninsured A END 44.	ess proof of insurance is s case a 5% surcharge will d and Passenger Hazard), Automobile and	surcharge shall be waived unler required by authorities. In this to Liability (Road Hazard and F Benefits, Uninsured Automobile END 44. Liability, Accident Benefits,	ess proof of insurance is case a 5% surcharge will apply Passenger Hazard), Accident e and	differential surcharge will be discontinued as FA is working towards	impact
Coutside Prince Edward Surcharge Surcharge		applicable jurisdiction, surchar premium. Also, refers to parag	rge 1% of the applicable	applicable Canadian jurisdiction Liability, Accident Benefits, Unu 44. For each percentage point of Intotal mileage in the U.S. or other jurisdiction, surcharge 1% of the surcharge 1% o	n, a 5% surcharge will apply to insured Automobile and END f this exposure is over 5.0% of the applicable Canadian		
Island Exposure Surcharge			Applicable	For example:			
insurance required 10%				Outside Province			
10% 10% 25% 25% 25% 25% 50%				1 L · ·	5%		
Som				· ·			
Optional Physical Damage (END 60 – Legal Liability for Damage to Non-Owned Automobile) For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge .50% of the applicable premium. For example: Outside Prince Edward Island Exposure 6% 3% 10% 5% 25% 12.5% Domage to Non-Owned Automobile) For each percentage point of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge .50% of the applicable premium. For example: Outside Province Exposure 6% 3% 3% 10% 5% 25% 12.5%							
Optional Physical Damage (END 60 – Legal Liability for Damage to Non-Owned Automobile) For each percentage point of mileage in the U.S. or other applicable jurisdiction, surcharge .50% of the applicable premium. For example: Outside Prince Edward Island Exposure 6% 3% 10% 5% 25% 12.5% Optional Physical Damage (END 60 – Legal Liability for Damage to Non-Owned Automobile) For each percentage point of total mileage in the U.S. or other applicable Canadian jurisdiction, surcharge .50% of the applicable premium. For example: Outside Province Exposure Outside Province Exposure 6% 3% 3% 10% 5% 25% 12.5%		50%	50%				
50% 25% 50% 25%		for Damage to Non-Owned For each percentage point of rapplicable jurisdiction, surcharpremium. For example: Outside Prince Edward Island Exposure 6% 10% 25%	Automobile) mileage in the U.S. or other rge .50% of the applicable Applicable Surcharge 3% 5% 12.5%	Damage to Non-Owned Aut For each percentage point of to other applicable Canadian juris applicable premium. For example: Outside Province Exposure 6% 10% 25%	omobile) otal mileage in the U.S. or sdiction, surcharge .50% of the Applicable Surcharge .3%		
		50%	25%	50%	25%		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726:	B. Currency Differential Surcharge	B. Currency Differential Surcharge	Currency	This may
Outside Prince Edward Island Exposure	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.	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.	differential surcharge will be discontinued as FA is working	impact premiums
	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 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.	towards modernizing and simply its rating	
	The surcharge percentage is calculated by means of the following formula:	The surcharge percentage is calculated by means of the following formula:		
	Currency differential x Outside Prince Edward Island exposure surcharge	Currency differential x Outside Prince Edward Island 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 Outside Prince Edward Island exposure surcharge is 25%.	For example: The rate of exchange for the U.S. dollar is 1.3085 Canadian. Therefore the currency differential is 0.31. The Outside Prince Edward Island exposure surcharge is 25%.		
	Currency differential surcharge: 0.31 X 25% = 7.75%	Currency differential surcharge:		
	The Currency differential surcharge is	The Currency differential surcharge is		
	Applied only to the Liability premium not DCPD premium	Applied only to the Liability premium not DCPD premium		
	2. Not subject to a minimum surcharge.	2. Not subject to a minimum surcharge.		
	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.	3. Additional to but not compounded on the Outside Prince Edward Island exposure surcharge.		
	Example: The Liability premium is \$1,000 Outside P.E.I. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75% Base Premium = \$1,000	Example: The Liability premium is \$1,000 Outside P.E.I. Exposure Surcharge is 25% The Currency Differential Surcharge is 7.75%		

Rule	Current Wording	Approved Wording	Change from Current	Premium impact on existing policies
Rule 726: Outside Prince Edward Island Exposure	 Outside P.E.I. 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 Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Prince Edward Island 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. 	Base Premium = \$1,000 Outside P.E.I. 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 Outside Prince Edward Island exposure surcharge is subject to a minimum of \$50 per policy term. For example: Using the example above, the dollar value of the Outside Prince Edward Island exposure surcharge is \$250 and the dollar value of the currency differential surcharge is \$78. The total combined dollar value is \$328, well exceeding	Currency differential surcharge will be discontinued as FA is working towards modernizing and simply its rating	This may impact premiums
Rule 728: Vehicles Used Outside Jurisdiction of Registration	 For example: The Insured resides in Prince Edward Island and will be travelling in Alberta for the next year. The policy must be issued in the jurisdiction where the Insured resides even if the non-owned vehicle is chiefly used in another jurisdiction. If the non-owned vehicle is operated outside Prince Edward Island but within Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island rates apply. If the non-owned vehicle is operated outside Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island rates and a surcharge apply. Refer to Rule 726: Outside Prince Edward Island Exposure 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. 	the minimum required. For example: The Insured resides in Prince Edward Island 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 the Insured resides even if the non-owned vehicle is chiefly used in another jurisdiction. 2. If the non owned vehicle is operated outside Prince — Edward Island but within Nova Scotia, New Brunswick, — Newfoundland and Labrador, Prince Edward Island rates apply. If the non owned vehicle is operated outside Prince Edward Island, Nova Scotia, New — Brunswick, Newfoundland and Labrador, Prince — Edward Island rates and a surcharge apply. Refer to — Rule 726: Outside Prince Edward Island Exposure 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 outside of Prince Edward Island exposure is 5.0%	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 728: Vehicles Used Outside Jurisdiction of Registration	 4. If the outside of Prince Edward Island 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. 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 non-owned vehicle is being used in the U.S., it must be rated in the territory in which it is registered. For example: Insured lives in Charlottetown, is on sabbatical in California and the vehicle is registered in Prince Edward Island, Prince Edward Island rates apply. 	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. 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. 3. If the non-owned vehicle is operated outside the jurisdiction being used in the U.S., it must be rated in the territory in which it is registered, including into the U.S. Rates for that jurisdiction are applied along with a surcharge. Refer to Rule 726 to determine the surcharges applicable. For example: Insured lives in Charlottetown, is on sabbatical in California and the vehicle is registered in Prince Edward Island, Prince Edward Island rates apply. 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
NON-OWNE	D AUTO SECTION			
Rule 812:	F. Minimum Premium/Minimum Retained	F. Minimum Premium/Minimum Retained	Increases	This may
Premiums	The minimum premium for Non-Owned for POL 6, shall be \$250 and the minimum retained premium, in the event of cancellation shall be \$250.	The minimum premium for Non-Owned for POL 6, shall be \$400 and the minimum retained premium, in the event of cancellation shall be \$400.	minimum policy and retained premium to harmonize across all jurisdictions	impact premiums