

Rule 100: Coverages Available and Minimum Deductibles

A. Liability

Not more than \$1,000,000 except when required by American or Canadian federal or provincial statute, by regulations issued under authority thereof or by municipal by-laws (but not by other local authorities such as school boards). If proof of insurance is issued, the amounts shown on the proof may not exceed those required by the authority concerned.

B. Accident Benefits

As prescribed by statute.

C. Not Applicable

D. Physical Damage

Physical damage coverage shall not be provided or continued for Private Passenger Vehicles valued at \$325,000 or more.

The following table shows the minimum deductibles for CLEAR rate group tables. Use in accordance with the rate group table approved for use in each jurisdiction.

Rate Group	Minimum Deductibles	
CLEAR	Collision/All Perils	Comprehensive/ Specified Perils
	1-28	\$250
	29-33	\$2,500
34-39	\$4,000	\$4,000
CLEAR RG 40 and over	5% of LPN Rounded to the nearest \$250 (minimum deductible \$4000)	5% of LPN Rounded to the nearest \$250 (minimum deductible \$4000)
All RG's		END 40 is mandatory for all vehicles with a previous fire or total theft loss within the last 60 months

These deductibles apply when there has not been more than two All Perils, Collision, Comprehensive or Specified Perils claims in the past three years – refer to Rule 1:C. Filed Underwriting Rules - Minimum Deductibles.

Rate Group A – See Rule 110: Vehicle Rate Group.

E. Uninsured Automobile

As prescribed by statute

F. Family Protection Coverage (END 44)

For a brief description please see the Endorsement Section. The premium varies with the Liability limit applicable to the vehicle. If the Liability limit provided by the policy is greater than \$1,000,000 the coverage provided by this endorsement must be limited to \$1,000,000. END 44 is not available for Private Passenger type vehicles that are subject to the Public Section of this manual.

Rule 101: Definitions

A. Private Passenger Vehicle

A vehicle listed in the Private Passenger Rate Group Table used for pleasure, commute or business. Business use does not include use as driver training vehicles, funeral vehicles, courtesy cars, vehicles held for sale or used for demonstrating or testing or any use listed in the Commercial or Public Sections even though Private Passenger rates are used to determine the premium. Vehicles over 10,000lbs must be rated as commercial.

For trailers, camper units, motorhomes, motorcycles, mopeds, all terrain vehicles, snow vehicles, and antique/classic vehicles, see Recreational Section.

B. Operator Assignment

The principal operator is the person who drives the vehicle the most; if there are two or more vehicles in a household and the number of drivers, equals or exceeds the number of vehicles, each vehicle must have a different person designated as the principal operator. If the licence of the person reported as the principal operator is or becomes suspended, see Rule 31: Suspension of Operator's Licence. Class 05 drivers are rated independently and their driving record is considered only in relation to the development of the Class 05 premium.

C. Business Use

Includes the use of the vehicle in the applicant's occupation or profession including the incidental carriage of things used on the job. 'Commercial use' is the use of the vehicle primarily for transportation of merchandise or goods or in the case of an artisan, tools and materials. Commercial use also includes Fire and Police vehicles.

For example: transportation of books or paperwork (e.g. accountant), laptop computers (e.g. auditor), testing kits (e.g. geologist), samples but not supplies (e.g. pharmaceutical salesperson), medical bags (e.g. veterinarian) and signs (e.g. realtor) is considered to be business use not commercial use.

A pickup, van, 4 x 4 or other commercial type vehicle weighing less than 4.5 tonnes (10,000 lbs.) that is used for business use but not commercial use as defined in the Commercial Section, shall be rated for business use using the appropriate private passenger rating. In essence, the truck or van is being used like a car.

Any vehicle 4.5 tonnes (10,000 lbs) or more shall be rated as Commercial regardless of the use.

Rule 101: Definitions (continued)**D. Pleasure Use**

The vehicle is not used for driving to and from work or school nor for business, professional or vocational purposes.

E. Driving to and from work

The vehicle is used to drive between residence and place of employment or school, or part way. eg., to bus, railway or subway stations. Such use in a car pool or other share-the-ride arrangement is included. In some cases END 6a (Permission to Carry Passengers for Compensation) may be required.

F. Passengers carried for compensation**While going to and from work/school**

If while going to and from work or school, the insured uses the vehicle to carry passengers for compensation to and/or from work or school, the policy exclusion must be modified by using END 6a. The additional premium to be charged is 10% of the Liability premium.

The wording to be used on END 6a is as follows: "To carry passengers for compensation or hire to and/or from work while the Insured is going to and from work". If the insured is not an individual (e.g. a partnership, company, association or municipality) the words "the insured" are replaced by "the insured's partner" or "the insured's employee", as the case may be.

If compensation takes the form of giving a ride to someone in return for a ride, the use of END 6a is not required and there is no additional premium charge.

Volunteers

A volunteer is compensated for gas or mileage for the transportation of persons to medical appointments and the like. END 6a is not required and there is no additional premium charge.

As Part of Occupation

If the transportation of non-paying passengers is part of the insured's occupation (e.g. social worker) and employer reimburses for expenses, attach END 6a inserting 'as part of occupation' and rate for business use. If however, this occurs no more than once a week, attach END 6a and rate as driving to and from work.

G. Not Applicable**H. Owned/Leased**

The expression 'owned by' (as in 'vehicle owned by the applicant') includes 'leased to' if the applicant is or was responsible for obtaining the Liability insurance for the leased vehicle concerned. A similar interpretation applies to 'owns', 'ownership', etc.

I. Valid Operator's Licence**1. Definition**

A valid Canadian licence to drive the type of vehicle concerned. Where there is graduated licensing, a Level Two licence is a valid operator's licence.

A Learner's permit or a Level One licence (where there is graduated licensing) is not regarded as a valid operator's licence.

2. International Driver's Licence

An International Licence is not a valid licence in and of itself. It is a permit to drive in another country if the driver already has a valid licence. It is valid in Canada only for temporary residents e.g. embassy staff, exchange students, tourists.

Permanent residents must apply for a licence in the Canadian jurisdiction in which they reside. Where a driver holds an International Licence, the application must show complete details of the driver's licence upon which it was granted. This would include the country in which the valid licence was issued, driver's licence number, expiry date etc.

Note: See Rule 107: Driving Record for rating information on drivers with an International Licence.

J. Not Applicable**K. Not Applicable****L. Types of Licence Suspension****1. Suspension for Cause**

A suspension or cancellation of the operator's licence for a period exceeding two weeks resulting from a conviction or from the accumulation of demerit points. A suspension/cancellation/lapse because a fine was not paid is treated as an administrative suspension/ cancellation/lapse even if the fine resulted from a conviction.

2. Administrative Suspension/Cancellation/Lapse

A suspension/cancellation/lapse for a period of one year or more for any reason other than those outlined under Suspension for Cause.

M. Driver Training

Successful completion of a driver education course conducted by certified instructors. The successful completion must be verified by a certificate signed by an official of the driving school.

a.) The course must meet the mandated requirements and have the approval of the Provincial Safety League, the Provincial Department of Education or Government department having jurisdiction:

OR

b.) In jurisdictions where those organizations do not exist, or do not exercise jurisdiction, the course must be composed of a minimum of 25 hours classroom instruction plus 6 hours behind the wheel of a dual equipped vehicle with automatic transmission (8 hours in the case of a standard transmission).

Rule 102: Clean Driver Discount

Where a risk meets the following requirements, a discount shall be applied to the Liability and Collision or Collision portion of the All Perils premiums:

- No regular or frequent driver of the vehicle has had any major, minor, or serious convictions in the 36 months preceding the commencement of insurance.
- No at fault accidents have been assigned to the vehicle or its substitute within the 60 months immediately preceding the commencement of insurance.
- The driver to whom the discount applies holds a valid Canadian driver's licence.

Refer to rate pages for the amount of discount where applicable.

Rule 103: Not Applicable**Rule 104: Rating Territory**

The rating territories are described in the Territories Section of this manual.

The applicable rating territory is that in which the vehicle "is and will be chiefly used". If however, the vehicle is operated regularly to or through other territories, the highest rated of those territories is to be used.

Rule 105: Special Classification Procedures**1. Clergy**

A vehicle owned by or provided for the use of a clergy person (with no other gainful occupation) shall be rated as if used solely for pleasure.

2. Farmers

The vehicle of a farmer who has no other gainful occupation and is residing on the farm shall be rated as if used solely for pleasure. If the rating class is determined to be Class 03, a Farmer's Discount may be available.

- a) A risk that would normally be rated Class 01 or 02 may be rated Class 03 if that produces a more favourable result for the applicant.
- b) Farmer's Discount does not apply to vehicles that are subject to rating in other sections of this manual e.g. Motor Homes, Antique Vehicles.
- c) Farmer's Discount is not available on vehicles owned by farm labourers, transient harvesters and part-time workers.

3. Police, Fire Department Vehicles

See the special rating instructions on Private Passenger rate pages.

4. Antique and Classic Vehicles

See Recreational Vehicles Section

5. Ambulances, Invalid Cars, Funeral Vehicles, Taxi and Limousines

See Public Vehicles Section.

6. Driver Training Vehicles, Fleets, Leased and Rental Vehicles

See Rules 31 and 34 in General Rules and Procedures Section.

7. Electrically Powered Vehicles

The Liability premiums for electrically powered vehicles are subject to a reduction of 50%.

Rule 106: Rating Class**General Notes:**

1. Except for Class 05, the rating class is dependent upon the vehicle's principal operator, whether or not that person is the applicant.
2. The principal operator is normally the person who drives the vehicle the most as declared on the application.
3. If there is more than one vehicle in a household and the number of drivers (including occasional drivers) equals or exceeds the number of vehicles, each vehicle must have a different driver designated as the principal operator.

For example: There are three drivers in the household and three vehicles. Each driver shall be rated as the principal operator of one of the vehicles.

4. If the description of a class contains exclusions/stipulations regarding drivers, such exclusions/stipulations do not apply to persons who are designated as operators of other vehicles insured through FA with the same Servicing Carrier.

For example: A, B and C are listed as operators on A's car. All have been licensed 10 years. The vehicle is used for pleasure only with minimal mileage. A would not qualify for Class 01 because there are 3 listed operators. However, if C is listed as an operator of another vehicle with the same Servicing Carrier in FA, the vehicle driven by A and B could qualify for Class 01.

Class 01

- a) Pleasure use
- b) No more than 2 drivers (excluding drivers rated under Class 05) and those drivers have held a valid driver's licence in Canada or U.S. for the past 9 years or more
- c) The vehicle is not used for driving to and from work or school.
- d) The anticipated annual mileage does not exceed 16,000 kilometers (10,000 miles)

Note: If there are 2 or more occasional drivers assigned to a vehicle, the vehicle cannot be rated Class 01.

Rule 106: Rating Class (continued)**Class 02**

- a) Pleasure use and commute use.
- b) No more than 2 drivers (excluding drivers rated under Class 05) and those drivers have held a valid driver's licence in Canada or U.S. for the past 9 years or more
- c) The vehicle is not used for driving to and from work or school more than 16 kilometers (10 miles) one way.
- d) The anticipated annual mileage does not exceed 24,000 km (15,000 miles)

Note: If there are 2 or more occasional drivers assigned to a vehicle, the vehicle cannot be rated Class 02.

Class 03

- a) Pleasure use and commute use.
- b) More than 2 drivers (excluding drivers rated under Class 05) and those drivers have held a valid driver's licence in Canada or U.S. for the past 9 years or more

Class 05

Occasional driver(s) licensed less than 9 years in Canada or U.S.

Notes: Class 05

- 1) The vehicle is first rated as if there are no occasional drivers licensed less than 9 years in Canada or the U.S.; premium is then charged for such occasional drivers by adding the Liability, Collision or the Collision portion of All Perils premium for Class 05. It is not permissible to issue a policy solely at Class 05 rates.
- 2) The Liability limit and All Perils/Collision deductible for Classes 05 drivers must be identical to the limit and deductible provided for the vehicle.
- 3) Class 05 develops its own driving record, based on the experience of the driver(s) concerned.
- 4) If there are two or more occasional drivers licensed less than 9 years in Canada or the U.S.:
 - a) **One vehicle:** Only one Class 05 premium shall be charged but it shall be based on the experience of the driver who produces the highest premium. It shall reflect all claims for all Class 05 drivers combined.
 - b) **Number of vehicles equal to number of occasional drivers licensed less than 9 years in Canada or the U.S.:** Charge a Class 05 on each vehicle.
 - c) **Number of occasional drivers licensed less than 9 years in Canada or the U.S. exceeds the number of vehicles:** Starting with the Class 05 driver who generates the lowest driving record, each occasional driver licensed less than 9 years in Canada or the U.S. shall be assigned to the vehicle with the highest rate group.

Example:

Policy covers 3 cars, 3 principal operators, and 4 occasional drivers (4 Class 05).

Vehicle 1 rate group 5
 Vehicle 2 rate group 10
 Vehicle 3 rate group 13

Driver 1 Class 05 – licensed 6 months
 Driver 2 Class 05 – licensed 3 years
 Driver 3 Class 05 – licensed 5 years
 Driver 4 Class 05 – licensed 2 years

Driver 1 assigned to vehicle 3.
 Driver 4 assigned to vehicle 2.
 Driver 2 assigned to vehicle 1.

- 5) A Class 05 premium shall not be charged for a driver whose licence is Learner or Level One.
- 6) If there are two or more occasional drivers assigned to a vehicle, the vehicle cannot be rated Class 01 or 02.

Class 07

- a) Business use or business and pleasure use. All drivers have held a valid driver's licence in Canada or U.S. for the past 9 years or more.
- b) No occasional driver licensed less than 9 years in Canada or U.S. unless a separate Class 05 premium is charged.

Class 10

Principal operator is licensed 0–2 years in Canada or U.S.

Class 11

Principal operator is licensed 3–4 years in Canada or U.S.

Class 12

Principal operator is licensed 5–6 years in Canada or U.S.

Class 13

Principal operator is licensed 7–8 years in Canada or U.S.

Rule 107: Driving Record**A. Clear Record**

Previous Insurance History must be obtained on the applicant and all drivers shown on the application or added to an existing policy. For commercial vehicles, Previous Insurance History must be ordered on the applicant.

Verification of Previous Insurance History begins with the insurance immediately preceding the commencement of the FA policy and works backwards. Without proof of prior insurance, a maximum Driving Record 1 is applicable.

1. Vehicles Owned by Individuals

Where vehicles are owned by individuals, the principal operator has held a valid licence throughout the period concerned. Licence suspensions can affect Clear Record.