

**Province of Newfoundland and Labrador
Private Passenger Automobile Insurance
Discount Summary**

1.	Discount :	Clean Driver Discount
	Coverage :	Liability, Collision and Collision Portion of All Perils
	Classes :	All
	Amount :	20%

2.	Discount :	Multi-Vehicle Discount
	Coverage :	Liability, Accident Benefits and Collision
	Classes :	01, 02, 03 & 07
	Amount :	10%

Notes : Please see Rules 102 & 111 on the next 2 pages for details.
Discounts shown above are current and
are proposed to be eliminated in this Rate Filing.

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 110: Vehicle Rate Group

For most vehicles the rate group can be found in the Rate Group Table, which lists vehicles by manufacturer, model and year. The separate Vehicle Model/Manufacturer cross-reference listing should assist in determining a vehicle's manufacturer.

If a current year make/model is not listed but it was listed in the previous year, use the rate group for the previous year. If it was not listed in the previous year (new model), contact your Servicing Carrier. The Servicing Carrier shall provide you with the Rate Group assigned by the Vehicle Information Centre.

To establish the rate group for model years prior to the earliest year shown in the Rate Group Tables, see Rate Group "A".

The presence of after market equipment may affect the rate group.

Rate Group "A"

The rate group is based on the insured's estimate of the vehicle's value. See the table at the beginning of the rate pages.

If estimated value is greater than \$15,000

Where the vehicle's estimated value is \$15,000 or more, the following requirements apply:

If the vehicle is newly acquired from a dealer, a copy of the purchase agreement, confirming the vehicle's make/model, year, serial number and purchase price, must be sent to the Servicing Carrier.

In any other circumstance, the value must be substantiated by an appraisal from an independent appraiser acceptable to the Servicing Carrier at the applicant's expense.

END 19 and END 40

Where the rate group is shown as A or the estimated value is greater than \$15,000 a completed and signed END 19 (Limitation of Amount) must be attached to the policy where the policy provides physical damage coverage. END 40 must be attached to the policy where there has been a prior fire or total vehicle theft loss within the past 60 months and the policy provides physical damage coverage. Where the policy provides only Liability and Accident Benefits, attachment of END 19 and END 40 is not required.

Rule 111: Multi Vehicle Discount

Where two or more vehicles are owned by an individual or by individuals living in the same household and the vehicles are insured by the same Servicing Carrier for concurrent terms and:

- (a) all qualify for Class 01, 02 or 03 rates, the full rate is charged in respect of the highest-rated vehicle and a discount of 10% is allowed from the Third Party Liability, Accident Benefits and Collision rates that apply to the other vehicles; OR
- (b) all qualify for Class 01, 02, 03 or 07 rates, the full rates are charged in respect of the Class 07 vehicles and a discount of 10% is allowed from the Third Party Liability, Accident Benefits and Collision rates that apply to the Class 01, 02 or 03 vehicles.

Notes

- 1. There must be one vehicle for which the full rate is paid
- 2. This discount is not allowable in respect of any of the vehicles if there is an occasional driver licensed less than 9 years in Canada or U.S. (Class 05)
- 3. For the purposes of this rule, the following vehicles shall not be counted:
 - a. A "farmer's vehicle" that is allowed a reduction from the normal rate in accordance with Rule 105.
 - b. A vehicle that is actually subject to another section of this manual e.g. a motor home

Rule 112: Not Applicable**Rule 113: Not Applicable**

**Province of Newfoundland and Labrador
Private Passenger Automobile Insurance
Surcharge Summary**

1.

Surcharge :	3 or more Chargeable Accidents in the preceding 36 months
Coverage :	Liability, Collision and Collision Portion of All Perils
Classes :	All
Amount :	30% for the first 3 accidents, 10% for each additional accident

2.

Surcharge :	Major Conviction in the preceding 36 months
Coverage :	Liability, Collision and Collision Portion of All Perils
Classes :	All
Amount :	15% for the first conviction, 5% for each additional conviction

3.

Surcharge :	Minor Conviction in the preceding 36 months
Coverage :	Liability, Collision and Collision Portion of All Perils
Classes :	All
Amount :	25% for the first 4 convictions, 15% for each additional conviction

4.

Surcharge :	Serious Conviction in the preceding 36 months
Coverage :	Liability, Collision and Collision Portion of All Perils
Classes :	All
Amount :	50% for the first conviction, 100% for each additional conviction

Note : Please see Rules 24 & 25 on the following pages for details.

Rule 24: Definition of Accident

A. What Is A Chargeable Accident

A chargeable (at fault) accident is an occurrence resulting in damage to persons or property arising out of the ownership, use or operation of a vehicle, in consequence of which:

1. An amount has been paid or would have been paid but for the existence of provincial Direct Compensation laws or agreements,
or
2. A loss remains unsettled or unpaid,
or
3. A civil suit is pending in respect of Liability, Collision or the Collision portion of All Perils coverage

A chargeable accident is always taken into account in rating unless, where coverage is provided under the contract and the contract would normally respond, there was no payment made to indemnify an insured or made to an insured under the contract.

B. What Is Not A Chargeable Accident

An occurrence shall not be regarded as a chargeable accident if:

1. The insured's degree of fault is determined as zero under the relevant provincial fault determination laws or agreements or dispute resolution mechanism.
2. Damage to the applicant's vehicle
 - a) resulted from the vehicle being struck by an unidentified vehicle and is reported to the police within 24 hours;
 - b) occurred while the vehicle was legally parked and is reported to police within 24 hours;
 - c) resulted from collision with a wild or domestic animal;
 - d) is legally recoverable from the owner or driver of an uninsured or unidentified automobile.
3. Any accident involving a vehicle insured on this policy and allocated to a driver who subsequently has signed a valid END 28A (Excluded Driver Endorsement) shall not be considered a chargeable accident.

In the event the excluded driver is involved in an accident, the vehicle shall be considered uninsured and no coverage shall be provided by this policy.

Note: The words "loss(es)" and "claim(s)" where used in this manual are considered to have the same meaning as the word "accident."

The words "at fault" and "chargeable" where used in this manual are considered to have the same meaning.

C. How To Allocate Chargeable Accidents

No accident shall be used more than once in determining the premium for vehicles insured in FA with the same Servicing Carrier whether or not on the same policy.

A chargeable accident resulting in only Liability to a third party will affect only the rating of Liability coverage. A chargeable accident resulting in only Collision damage will affect only the rating of the Collision coverage.

When an occasional driver is responsible for a chargeable accident, the accident must be included for rating purposes. If the occasional driver is removed from the policy, the accident shall be assigned to the vehicle on which it occurred.

At new business, where there are multiple vehicles and multiple drivers insured on a policy, any claims shall be assigned first to the vehicle for which the responsible driver is principal operator regardless of which vehicle was involved in the claim. If the responsible driver is principal operator of more than one vehicle, the claim shall be assigned first to the vehicle involved in the claim and if this is not possible, to the vehicle which that person principally operates that produces the highest premium. At renewal, any at fault accidents which occurred during the policy term shall be assigned to the vehicle on which they occurred.

For example: A new application is received. Applicant is principal operator of vehicle 1 and has had 2 losses on vehicle 1 and 1 loss on vehicle 2. Driver 2 is principal operator of vehicle 2 and had 1 loss on vehicle 1 and 1 loss on vehicle 2. For purposes of allocating accidents, the 3 accidents the applicant has had will be allocated to vehicle 1 and the 2 accidents driver 2 has had will be allocated to vehicle 2.

The term 'vehicle' includes 'one for which it has been substituted'.

Rule 24: Definition of Accident**C. How to Allocate Chargeable Accidents** (continued)

The following table illustrates how chargeable accidents are to be applied in the rating of other types of vehicles if they cannot be assigned to the vehicle actually involved

Type of vehicle involved in the accident	Type of vehicle to which the accident can be applied
Private Passenger	Private Passenger, Motorhome or Light Commercial.
Light Commercial	Commercial, Private Passenger or Motorhomes
Commercial	Commercial
Public	Public
Motorhome	Motorhomes, Private Passenger or Light Commercial
Motorcycle	Motorcycle
Garage	Garage
All Terrain or Snow Vehicle	All Terrain or Snow Vehicle

Note: "Type of vehicle" means the section of the manual in which the vehicle was or would have been rated.

For example: A car is rated as a private passenger vehicle and the insured had an at fault accident. The insured is now going to begin using the vehicle as a taxi. The accident that occurred while the vehicle was rated for personal use cannot be counted against the vehicle when it is being rated as a taxi since the taxi is rated in the Public Vehicles section of the manual.

Rule 25: Accident and Conviction Surcharges

These surcharges are applicable to Liability (including Passenger Liability) and Collision. These surcharges are not to be applied to coverages which are experience (fleet) rated.

A. Accidents

Accident surcharges are assessed in accordance with the Surcharge Schedule for chargeable accidents that occurred during the 36 months immediately preceding the effective date of the commencement of the insurance.

1. At New Business:

No accident shall be used more than once in determining the surcharges for vehicles insured in FA by the same Servicing Carrier, whether or not on the same policy.

As long as there is a Class 05 premium charged on the policy, accidents relating to Class 05 drivers shall only be used to calculate surcharges on the Class 05 premium. The Class 05 premium develops its own surcharge independent of the underlying class.

If the only vehicle(s) on the policy are private type trailers as described under Recreational Vehicles, surcharges shall be assessed on the Collision premium only.

Accidents arising from the ownership of any vehicle other than the described vehicle are not to be considered.

For example: The insured owns a business in which three vehicles are driven by employees. Two of the vehicles are insured in the voluntary market, the other is insured in FA. There have been two accidents on each of the vehicles in the voluntary market none of which arose from the use or operation of the vehicle by the insured himself. There have been three accidents on the vehicle insured in FA. The accidents that occurred on the vehicles insured in the voluntary market are not used to calculate the accident surcharge on the vehicle insured in FA, as long as they are rated under another inforce automobile policy.

Where the term 'described vehicle' is used, it includes a vehicle substituted for it.

Rule 25: Accident and Conviction Surcharges (continued)

Accidents arising out of the use or operation of other vehicles for which another listed driver is responsible shall not be considered if the other listed driver is being charged with the accident as the principal operator of another vehicle.

(a) One vehicle on the policy

Consider accidents that involved the described vehicle and accidents arising out of the use or operation of any other vehicle by the applicant or any other listed operator (excluding any other listed operator currently being charged with the accident as principal operator of another vehicle).

For example: Driver 1 has had 1 at fault accident on the described vehicle and 1 accident on the neighbour's car. Driver 2 had 1 at fault accident on own vehicle insured elsewhere but has now sold that vehicle. All accidents shall be allocated to the described vehicle and a surcharge shall be applied.

(b) One driver and two or more vehicles

Accidents that involve one of the described vehicles shall be assigned to that vehicle. Accidents arising out of the use or operation of any other vehicle by the applicant or any other listed operator (excluding any other listed operator currently being charged with the accident as principal operator of another vehicle) shall be assigned to the vehicle that produces the highest premium before the application of any accident or conviction surcharge.

For example: Two vehicles on the policy, applicant is the only operator. There has been one accident on vehicle 1 and one accident on vehicle 2. Applicant also had two accidents on his company vehicle insured elsewhere. The premium for vehicle 2 is higher than the premium for vehicle 1. As the applicant is the only operator of both vehicles, the claims are rated on the vehicle on which they occurred. A surcharge applies to vehicle 2 as a result of the two accidents on the company car and the one accident that occurred on vehicle 2.

(c) Two or more drivers and two or more vehicles

Each driver is to be assigned as principal operator on the vehicle he/she most frequently drives. Accidents that the principal operator had on any vehicle are to be considered. Accidents that occurred on the assigned (described) vehicle that cannot be assigned to the principal operator of another vehicle on the policy are to be considered. Accidents that arose from the use or operation of any other vehicle by any other listed driver who has not been charged with the accident as a principal operator of another vehicle, shall be allocated to the vehicle which develops the highest premium before the application of any accident or conviction surcharges.

For example: Applicant is principal operator of vehicle 1 and has had one accident on vehicle 1, two accidents on vehicle 2 and 1 accident on his company car. Driver 2 is principal operator of vehicle 2 and has had no accidents. Driver 3 has had one accident on vehicle 2. The applicant's four accidents will be rated against vehicle 1. Driver 3's accident is rated on vehicle 2. A surcharge for the applicant's four accidents applies to vehicle 1 as the applicant is principal operator of vehicle 1.

2. At Renewal (for surcharge only)

At the time of renewal, the accident record shall be updated. Any accidents that occurred more than 36 months prior to renewal date shall be excluded and all accidents that occurred during the expiring term that involved the following shall be added:

- a) The described vehicle (regardless of driver).
- b) Other vehicles but were the subject of claims under this policy.

B. Convictions

Conviction surcharges shall be assessed for traffic offences (as hereinafter described) for which the insured was convicted in the 36 months immediately preceding the commencement of the period of insurance.

1. How to apply conviction surcharges:

No conviction record shall be used more than once to determine conviction surcharges for vehicles insured in FA by the same Servicing Carrier, whether or not insured on the same policy.

If convictions for impaired driving and failure or refusal to take a breath or blood test relate to the same occurrence, they shall be considered as one conviction.

Convictions for road offences shall not be used in the rating of off road vehicles (e.g. Snow Vehicles, All Terrain Vehicles) and vice versa.

As long as there is a Class 05 premium charged on the policy, the conviction records relating to Class 05 drivers shall only be used to calculate surcharges on the Class 05 premium. The Class 05 premium develops its own surcharge independent of the underlying class.

Surcharges shall not be assessed on private type trailers as described under Recreational Vehicles.

Rule 25: Accident and Conviction Surcharges

B. Convictions (continued)

One vehicle and more than one driver

The conviction record of all persons who are listed drivers of the vehicle shall be reviewed to establish which conviction record develops the highest surcharge percentage in accordance with the Surcharge Schedule for convictions. That conviction record shall be used to calculate the conviction surcharge.

More than one vehicle and more than one driver

Each driver shall be allocated to the vehicle driven most and that driver's conviction record shall be considered in relation only to that vehicle.

One driver and more than one vehicle

The driver's conviction record shall be applied to the vehicle that produces the highest premium prior to the application of any accident or conviction surcharges.

C. Accident/Conviction Surcharge Table

Maximum Surcharge to be applied for accidents, serious, major and minor convictions is 200%.

Events in the preceding 36 months	Surcharge:
Chargeable Accidents:	
2	0%
3	30%
Each additional	10%
Major Convictions	
1	15%
Each additional	5%
Minor Convictions	
2	0%
3	0%
4	25%
Each additional	15%
Serious Convictions	
1	50%
Each additional	100%

D. Conviction Definitions

a. Major

Convictions for any of the following offences under any Act governing highway traffic or for any offence substantially the same whether committed within or outside Canada:

Failing to report an accident

Failing, in the event of an accident, to give name and licence number to the police or any other person entitled to such information

Fail to obey school crossing stop sign

Improper passing of a school bus

Improper passing in a school or playground zone

Improper speeding in a school or playground zone

Graduated Licence (where applicable):

Permit novice driver in contravention of cond/rest

Accompanying driver has excess blood alcohol

Driver unaccompanied by a qualified driver

Drive with front seat passenger

Drive with excess passengers

Drive on prohibited highway

Drive at unlawful hour

Drive motorcycle with passenger

Drive motorcycle on prohibited highway

Speeding in excess of 50 kph over limit

b. Minor

Convictions for any moving traffic offence (offences related to the operation of a vehicle), other than those listed as Serious or Major, under an Act governing highway traffic or for any offence substantially the same committed whether within or outside Canada including:

Fail to notify police

Fail to make written report

Fail to report damage to highway property

Backing up/unsafe/illegal/improper: any type

Brakes/none/inadequate/improper: any type

Crowding driver's seat

Door opening/illegal/obstructing traffic: any type

Emergency vehicle/operating with no regard for safety

Driving imprudently

Driving off roadway (including shoulder/sidewalk/median): any type

Flagman/disobeying

Following too closely (including tailgating)

Headlights/parking lights/improper/lack of use: any type

Lack of control of vehicle: any type

Motor-assisted bicycle carrying passengers

Motorcycle/operating with only an instruction permit

Motorcycle/failure to wear helmet

Passing infraction: any type except school bus or school/playground zone

Pedestrian crossing violation: any type

Radar warning device in motor vehicle: if illegal in province/territory

Railway crossing: any type

Safety zone violation: any type

Signaling offences: any type

Slow driving/endangering other: any type

Smokescreen device on vehicle

Speeding: any type, except when listed as major or serious

Squealing tires

Stopping/illegal/improper: any type

Stunting

Tires/defective/worn: any type

Towing/prohibited/unsafe: any type

Traffic signals/regulating lights: any type

Traffic signs/disobeying any legal sign except parking regulations

Trailer: improper attachments/improper towing

Turns/illegal/improper: any type

Unlicensed driver: any type including improper licence class

(Driving without a subsisting licence)

Unsafe move

Unsafe vehicle: any type

Use of hand-held cellular phone

Wrong side of road/wrong way: any type

Yield, failing to: any type

Note: This is a generic list and will not, in all cases, match the exact wording printed on the Driver Record Abstract.

c. Serious

Convictions for any of the following offences under the Criminal Code of Canada or under any Act governing highway traffic or under any other Act or for any offence substantially the same whether committed within or outside Canada or any conviction which appears on a Driver Record abstract identified as a Criminal Code conviction.

Criminal negligence committed in the operation or use of a motor vehicle

Manslaughter committed in the operation or use of a motor vehicle

Driving while licence under suspension

Racing

Careless driving

Driving without due care and attention

Dangerous driving

Impaired driving

Failure or refusal to submit to a breath or blood test

Failure to pass a breath or blood test

Failure to stop/remain at the scene of an accident

Failure to stop for a police officer, resulting in a suspension of licence for a period in excess of one year.

Learner/Level One driver fail/refuse breath sample

Learner/Level One driver with alcohol in blood

Note: If convictions for impaired driving and failure or refusal to take a breath or blood test relate to the same occurrence, they will be considered one conviction.

Rule 26: Not Applicable

Rule 27: Proof of Insurance

1. The Servicing Carrier must make all filings. The Agent/Broker is not permitted to do so.
2. The Agent/Broker must promptly advise the Servicing Carrier if proof of insurance (e.g. a financial responsibility certificate) must be issued or filed with a local, provincial, federal or U.S.A. authority.
3. Once the proof of insurance is issued, a copy should be supplied to the Agent/Broker for their records.
4. Proof of insurance may not be issued or filed on a "blanket basis" i.e. without specifying the insured vehicles - unless the authority concerned permits no alternative. In that case, the Facility Association's form of 'Indemnification and Hold Harmless Agreement' must be fully completed (including the signatures of the applicant and a witness) and provided to the Servicing Carrier.
5. Parties cannot be added as additional named insureds on the policy. The certificate showing proof of insurance guarantees to the party that the vehicle is insured. This is the full extent of the guarantee.
6. In most cases, the Servicing Carrier's standard certificate of insurance is acceptable and is the preferable option. Should the Servicing Carrier have any concern with the coverages or limits being guaranteed when asked to use a certificate prescribed by the organization or authority with whom the certificate is being filed, the Servicing Carrier should contact Facility Association Head Office.