Pembridge Alberta Auto Manual

PEMBRIDGE®
INSURANCE COMPANY

TABLE OF CONTENTS

PEMBRIDGE BROKER GUIDELINES

Broker Procedure

Binding Coverage

You may bind risks subject to the rules, premiums and limits stated within this manual and any bulletins or updates we may issue. We require that applications be fully completed and signed before the risk is bound. We regard risk selection as a partnership we have entered into with our brokers. For certain types or classes of risks, you must consult your underwriter prior to binding coverage.

Severe Weather

Unless otherwise notified by bulletin, your binding authority will be temporarily suspended and coverage or additional perils may not be increased, added, or bound for any new or existing risks in the imminent path of a major weather event or fire when significant damage from the insured peril is highly probable. This restriction begins as soon as national information sources announce the imminence of the event or as soon as the event itself begins, depending on whether or not it was possible to predict it. This restriction continues until the emergency or major weather event / fire is over, whether a state of emergency has been declared or not.

This temporary restriction includes, but is not limited, to any risk:

- **Any Event** - located within an area where a civil authority has issued an alert, restriction, or evacuation order;
- **Earthquake** - with an earthquake exposure from a known earthquake or tremor measuring 3.0 or more on the Magnitude Scale and within 150km of the Epicenter for 168 hours from the last earthquake occurrence;
- **Flood/Rising Water** - located within an area or waterway where flooding is occurring, or a risk of flooding (from any source) has been announced by a government body having jurisdiction (i.e., Environment Canada, Conservation Authority);
- **Fire** - within 25 kms of a forest/grass/bush fire classified as a threat to property, public safety, or “out of control” (as defined by the local government/authority). Any property facing immediate or potential threat from an advancing fire is also not eligible;
- **Hurricane** - within 250 kms of the Canadian Coastline when a “Tropical Storm/Hurricane watch or warning” by Environment Canada/Canadian Hurricane Centre has been publicized or broadcast. Restriction remains in force until 48 hours after the Tropical Storm/Hurricane watch or warning has ended.

Application and Binder

A fully completed and signed Application for Automobile Insurance must be retained in your office or submitted immediately to us after the risk is bound.

You are authorized to bind coverage on our behalf by issuing a 30 day temporary Liability Certificate, provided the application/risk meets Pembridge's Underwriting guidelines and you are in possession of a fully completed and signed application with the applicable estimated premium. Under no circumstances is a further 30 day temporary Liability Certificate to be issued unless written consent is given by Pembridge.

Note: The application accompanied with the applicable premium is to be sent to Pembridge within 7 working days or entered on the Pembridge system within 7 working days in order to validate binding.

Claims Reporting

All claims are to be reported to Pembridge at 1.800.561.7222 and should not be assigned to an independent adjuster unless authorized. All glass claims should be assigned to Belron Claims Management at 1.888.437.3636 for service in English or 1.888.608.3636 for service in French.

Risks to be Referred to Underwriting

Risks must be referred by sending an unbound application form, including all related documents (MVR, AutoPlus, etc…) to the following email address: albertareferralrisks@pembridge.com. New applications submitted through regular channels will not be considered:

Any applications with the following criteria:

- Any license suspension in the past six years
- The AB-SEF 6(A) or AB-SEF 28(C) or AB-SEF 8(A) or CAE No 1 endorsement

Coverage and Deductibles

Coverage	Offerings
Third Party Liability	$1,000,000 - $2,000,000 (or as prescribed by Statute)
Accident Benefits	As prescribed by Statute
DCPD	$0, $50, $100, $250 to $2,000 (in $250 increments)
All Perils & Collision	$1,000 to $2,750 (in $250 increments). $5,000
Comprehensive & Specified Perils	$500 to $2,750 (in $250 increments), $5,000

Note: Physical Damage coverage will not be written on new business applications without Third Party Liability and Accident Benefits

Coverage Effective Dates

Coverage will commence as of the binding time and date indicated in the policy application or request for policy change properly completed by the broker. In no circumstance may coverage be shown as effective prior to the date and time of completion of the application form. If there is any other insurance in force, binding may not be made effective before the expiry of that other insurance or if that other insurance is to be cancelled, a Liability Insurance Card may not be prepared before the insurer concerned has issued the notice of cancellation, or the insured has signed the request for cancellation, as the case may be.

Endorsements

Brokers will forward a written request for policy change as soon as practicable. In the event such request is received from the insured outside normal business hours, a request outlining the change must be submitted through the Pembridge system. All endorsement and policy changes should be completed on the system within 24 hours of the insured's request and all relating documentation retained on file in the broker's office. In no event will binding be effective prior to the date and time of the request being received by the broker from the insured, except in those instances where contractual coverage exists automatically under the terms of the policy and notice is accomplished within the time required.

Policy Term

Policies and renewals shall be issued for a term of 12 months.
Term length may be adjusted to accommodate a change in payment plan withdrawal dates

Motor Vehicle Abstracts (MVR)

A Motor Vehicle Abstract shall be obtained at inception and thereafter annually or as deemed necessary, for all operators of the insured vehicle(s).

Quality Metric Reference Guide

Rating/pricing varies by individual characteristics as indicated by our rating rules. The below are metrics that may still be displayed but not a part of Pembridge's pricing/rating.

Driving Record

Driving record is used to illustrate segments of business.

Tier Criteria	10 Star Select	Preferred	Standard	Middle Market
Years Licensed	All Operators 15+ years	PO 10+ years for 10* 6+ years for 6*	PO 3 years	PO 2 years or less
License Suspensions	0 in the past 10 years	0 in the past 5 years		1+ in the past 5 years
Lapse in Insurance Coverage	Any lapse cannot exceed 2 years			2+ years
Years Insurance*	10 years	5 years	2 years	0 years
Criminal Code Violations	0 in the past 5 years			1+ in the past 5 years
Major Violations	0 in the past 3 years			1+ in the past 3 years
Minor Violations	1 in the past 3 years		3 in the past 3 years	4+ in the past 3 years
Cancellation for Non-Payment	0 in the past 5 years	0 in the past 3 years	1 in the past 3 years	2+ in the past 3 years
Material Misrepresentation & Fraud	0 in the past 10 years		0 in the past 5 years	1+ in the past 3 years
Multi-Line Property	Required	Not Required	Not Required	Not Required

Driving Record	10 Star	6 Star	5 Star	4 Star	3 Star	2 Star	1 Star	0 Star
Chargeable At-Fault Losses	0 in the past 10 years	0 in the past 6 years	0 in the past 5 years	0 in the past 4 years	0 in the past 3 years	0 in the past 2 years	0 in the past 1 years	1 in the past 1 year

***Years Insurance**:

- Cumulative experience will be counted provided the lapses are not rateable. If a rateable lapse exists, credit will be counted for experience after the rateable lapse.

Class

Class is still used for IBC reporting.

Class 01

- Pleasure use only, no business, professional or vocational use except clergy.
- Principal operator, whether applicant or not, is 25 years of age or over and has continuously held a valid operator's license for at least the past three years* (refer to note)
- No driver under 25 years of age unless a separate Class 05 or 06 premium is charged.
- Apart from the principal and Class 05 and/or 06 operators, not more than one other driver; that driver

has continuously held a valid operator's license for the past three years* (refer to note).
Note: Driver training does not replace the 3 year driving requirement - class 03 would apply.

- Automobile is driven to and from work not more than 8 km (5 miles) one way*.
- Average and anticipated mileage not exceeding 16,000 km (10,000 miles) per annum.
  Note: This requirement does not permit any suspension, cancellation or lapse of the licence during the past five years.

  *Refer to Note following Class 02

Class 01A

- Pleasure use only, no business, professional or vocational use except clergy.
- Principal operator, whether applicant or not, is 25 years of age or over and has continuously held a valid operator's licence for at least the past three years (refer to note 2 below).
- No driver under 25 years of age unless a separate Class 05 or 06 premium is charged.
- Apart from the principal and Class 05 and/or 06 operators, not more than one other driver; that driver has continuously held a valid operator's licence for the past three years.(refer to Note 2 below)
  Note: Driver training does not replace the 3-year driving requirement - class 03 would apply.
- Automobile not used for driving to and from work or for professional or vocational purposes*.
- Average and anticipated mileage not exceeding 16,000 km (10,000 miles) per annum.
  Note 2: This requirement does not permit any suspension, cancellation or lapse of the licence during the past five years.

  *Refer to Note 4 following Class 02

Class 02

- Pleasure use only, no business professional or vocational use except clergy.
- Principal operator, whether applicant or not, is 25 years of age or over and has continuously held a valid operator's licence for at least three years. (refer to **Note 3** below)
- No driver under 25 years of age unless a separate Class 05 or 06 premium is charged.
- Apart from the principal and Class 05 and or 06 operators, not more than one other driver; that driver has continuously held a valid operator's licence for the past three years. (refer to **Note 3** below)
  Note: Driver training does not replace the 3 year driving requirement - class 03 would apply.
- Automobile not used for driving to and from work (refer to **Note 4** below) more than 24 km (15 miles) one way.
  Note 3: Permits suspension, cancellation or lapse of the license during the past five years.
  Note 4: In Classes 01, 01A and 02, the phrase "Driving to and from Work" includes automobiles used in car pools or other share-the-ride arrangements, and automobiles driven part way to or from work, such as to a bus, railway or subway station.

Class 03

- Pleasure use only, no business or vocational use except clergy. (see 2)
- Incidental business use permitted up to 4,800 km (3,000 miles) annually, and provided total annual driving does not exceed 32,000 km (20,000 miles).
- Principal operator, whether applicant or not, is 25 years of age or over.
- No driver under 25 years of age unless a separate Class 05 or 06 premium is charged.

Class 05

- Occasional female driver(s) under 25 years of age where the principal operator is rated 01, 01A, 02, 03 or 07.

Class 06

- Occasional male driver(s) under 25 years of age where the principal operator is rated as 01, 01A, 02, 03 or 07.

Class 07

- Business use or business and pleasure use, private passenger automobiles only.
- Principal operator, whether applicant or not, is 25 years of age or over.
- No occasional driver under 25 years of age unless a separate Class 05 or 06 premium is charged.

Class 08

- Married male principal operator, whether applicant or not, under 21 years of age, residing with his spouse.

Class 09

- Married male principal operator, whether applicant or not, under 25 years of age, but not under 21 years of age, residing with his spouse.

Class 10

- Unmarried male principal operator, whether applicant or not, 18 years of age or under.

Class 11

- Unmarried male principal operator, whether applicant or not, 19 or 20 years of age.

Class 12

- Unmarried male principal operator, whether applicant or not, 21 or 22 years of age.

Class 13

- Unmarried male principal operator, whether applicant or not, 23 or 24 years of age.

Class 18

- Female principal operator, whether applicant or not, under 21 years of age.

Class 19

- Female principal operator, whether applicant or not, under 25 years of age, but not under 21 years of age.

PRIVATE PASSENGER AUTOMOBILE

INELIGIBILITY

A. Pembridge Insurance Company's rules for declining to issue, terminating or refusing to renew a contract are:

Applicant or Named Insured

- In the past two years, Applicant/Named Insured owes any outstanding funds due to non-payment of an automobile insurance earned premium or any portion thereof, arising out of an Alberta automobile insurance policy
- Has no insurable interest in the vehicle(s) to be insured;

Commercial – Type of vehicle

- Commercial vehicles;
- Vehicle with a Curb Weight in excess of 4,500 kgs (10,000 lbs);
- Vehicles used for delivery of any type (volunteer use is acceptable) or as a public or private livery or as a taxicab;
- Vehicles used to arrange transportation services for compensation through a Transportation Network Company and Ride Sharing, except vehicles driven for Uber and Lyft that are driven for less than 20 hours per week;
- Vehicles used for carrying hazardous goods;
- Vehicles used in law enforcement or for public transportation;
- The applicant is applying for a contract, a renewal of a contract, coverage or an endorsement in respect of a vehicle that is not a private passenger vehicle;

Inspections/Appraisals/Certificate of Mechanical Fitness

- Where there is failure to provide a current vehicle inspection report for a vehicle 18 years or older as required:
  - Prior to binding at new business
  - When requested by underwriting at renewal

  An inspection report may be requested only once every 3 years;
- Where there is failure to repair a component of the vehicle within 30 days of the inspection, that has been identified in the vehicle inspection report as being unsafe
- With respect to a private passenger vehicle that is a salvage motor vehicle, refuses to provide, within the timeline provided by the insurer, a subsisting salvage motor vehicle inspection certificate;

Leasing

- Vehicle owned by an individual and rented or leased to others;

Licensing

- The applicant does not hold a valid operator's license to operate a private passenger vehicle in Canada;

Mandatory Coverage

- Where all Private Passenger Vehicles on a policy do not presently carry mandatory basic coverages and have not carried mandatory basic coverages in the preceding 90 days or more. Not applicable to those with AB-SEF 16;
- Where no Private Passenger Vehicle for a named insured or spouse has mandatory basic coverages insured with Pembridge Insurance Company;

Misrepresentation & False Information

- When the Applicant or Named Insured:
  - Fails to complete the approved application form;
  - Provides false information on the approved application form;
  - Makes any misrepresentation on the application form;
  - Insures any vehicle where the VIN has been tampered with, is invalid or cannot be validated;
  - Fails to submit any required information in the approved application form;
  - Applies for a contract, fails to inform the insurer or to keep the insurer informed, where requested to do so by the insurer, as to who is the principal driver of the automobile for which the insurance coverage is or is to be issued;
- If within the last seven years before the day of the request to obtain, update or renew an automobile insurance policy:
  - Applicant or Insured has three or more instances where an insurer has, on the basis of misrepresentation, terminated or declined to issue or renew any coverages of automobile insurance;
  - Applicant or Insured has at least one automobile insurance claim of any type denied in whole or in part, based on automobile insurance fraud;
  - Applicant or Insured has been convicted of fraud in relation to an automobile insurance policy;
- When Pembridge Insurance Company reasonably believes an Applicant or Insured will probably use the automobile insurance policy or the automobile in the future for fraudulent purposes;

B. Pembridge Insurance Company's rules for refusing to provide or continue a coverage are (The following rules apply once risk is accepted under Section A):

All Perils, Collision, Comprehensive or Specified Perils coverage will not be offered where:

Applicant, Named Insured or Operator

- Is verbally abusive (including racial slurs, repeated swearing, misogynist language or sexually explicit language) or who threatens physical harm, or is physically abusive to any employee, agent, broker partner, contractor or other service provider of the Pembridge Insurance Company and affiliated companies as reported to security, human resources and/or the police;
- Has been cancelled for non-payment within the past three years;

Claim Frequency

- A vehicle has two or more Comprehensive Losses (excluding Glass Claims and Hail Claims) in the past three years;

Conviction Frequency

- An operator has three or more Minor convictions in the past three years;
- An operator has one or more Major conviction(s) in the past three years;
- An operator has one or more Criminal conviction(s) in the past four years;

High Value Vehicles

- Vehicles with a List Price New (including Customizations) greater than $175,000 CAD;

Inspections/Appraisals/Certificate of Mechanical Fitness

- Vehicles with pre-existing or unrepaired damage. Hail damage can be considered if AB-SEF 13(H) is approved by Underwriting;

Licensing

When the Named Insured or any Operator(s) listed on the policy:

- Have a license which is currently under suspension;
- Had a license suspension within the past six years;
- Does not have a valid Canadian or US driver's license, International license is not valid;
- Have been driving in Alberta with an out of province license for more than 90 days;

Location

- Where the principal operator has no permanent address;
- Vehicle is operated or located outside of the province for more than 180 cumulative days in any 12 month period, except if the primary operator is a student;
- Vehicle is registered outside of the province where the policy is written. A vehicle being moved into the province will be allowed a 60 day grace period for completion of registration;
- Vehicle that has been moved out of the province or vehicle that is principally garaged and operated in a location not accessible all year long;

Misrepresentation & False Information

When the Applicant, Insured or Operator:

- Has been cancelled or has had a claim denied due to material misrepresentation or non-disclosure in the past 10 years;

Racing

- Vehicle used on any racetrack or at any location which is temporarily or permanently closed to all other vehicle traffic and there exists an element of a race or speed test (A race or speed test does not necessarily require another competitor or speed time device);
- Vehicle used for racing, speeding, timing, rallying, in a contest, race or in advanced performance driver training;

Vehicle Manufacture

- Where the VIN matches that of a vehicle that has been identified as non-rebuildable and the insured fails to submit an inspection and provide a certificate of mechanical fitness or where the inspection shows the vehicle to be unsafe;
- Vehicle that is constructed from a kit, is home-made or is custom-made;
- Vehicle powered by anything other than gasoline, propane, natural gas, diesel oil or rechargeable electric batteries;
- Amphibious vehicles;
- Vehicle not manufactured for the Canadian market including right-hand-drive vehicle(s);
- Antique/Classic/Specialty automobiles;
- Vehicles modified to accommodate dual control for driver instruction;
- Vehicle modified for enhanced speed or racing;
- Vehicles with lift kits or levelling kits that are more than 4 inches;
- Vehicles with lift kits or levelling kits that are not factory installed;
- For business written effective May 1 2024 and later – Vehicle is 20 years or older;

<u>All Perils or Collision coverage will not be offered where:</u>

- A rated operator has two or more At-Fault Losses in the past six years;

<u>AB-SEF 13(D) (Limitation of Glass coverage) endorsement will be required where:</u>

- A vehicle has three or more Glass Claims in six years;

C. Pembridge Insurance Company's rules to apply minimum deductibles (The following rules apply once risk is accepted under Section B):

Comprehensive or Specified Perils - $2500 deductibles will apply:

- A vehicle has two or more Hail Claims in the past three years;

All Perils, Collision, Comprehensive or Specified Perils - $2500 deductibles will apply:

Claim Frequency

- A vehicle has three or more Comprehensive Losses (excluding Glass Claims and Hail Claims) in the past six years;

DEFINITIONS

Acceptable Appraisal

An acceptable appraisal is one that is:

- Completed within the last 36 months.
- Obtained through an independent expert or authorized dealer specializing in the vehicle type.
- Performed in Canada and in which values are stated in Canadian currency.
- Includes colour photographs of the vehicle from various angles, an exact description of the vehicle type (make, model, body, etc.), and details of any repairs and restoration done.

Accident Benefits

Provides compensation if you, your passengers, or pedestrians are involved in a car accident resulting in injury or death.

All Perils

Insures against loss or damage resulting from a combination of Collision and Comprehensive losses as well as coverage for theft of a described automobile by an employee or by a person who lives in the insured's household.

Artisan Vehicle

A Private Passenger vehicle primarily used to transport the insured (generally a tradesperson or contractor) and their tools to a job site, and is generally immobile during the day.

The following conditions need to be met for a vehicle to be written as an Artisan Vehicle:

- The vehicle cannot be driven by employees of the insured
- The vehicle cannot be used to pick up and/or deliver materials or goods to a job site
- The vehicle's load carrying capacity is used only to transport tools or materials used exclusively by the insured and is not used to transport any employees or additional people to or from the job site
- The vehicle is immobile during business hours with a maximum of 2 household or business calls per day
- All vehicles written as Artisan will be rated as Business use with an AB-SEF 30(B)
- See Artisan Vehicle Use

Chargeable At-Fault Losses

An occurrence arising out of the ownership, use or operation of a private passenger motor vehicle where the driver or applicant is deemed to be wholly or partially responsible, resulting in Third Party Liability Damage and/or Collision or Upset, including $0 payout claims. A Chargeable loss excludes any type of Non-Chargeable Losses.

Clear Record

No chargeable accident(s) involving the applicant or principal operator arising out of the use or operation of any vehicles while holding a valid driver's license.

Collision or Upset

Insures against loss or damage resulting from a vehicle when it strikes another object or vehicle.

Comprehensive

Insures against loss or damage resulting from numerous miscellaneous causes such as fire, theft, windstorm, flood, vandalism, etc., but normally not including loss by collision or upset.

Commercial Vehicle

A vehicle used for commercial purposes, including, but not limited to:

- A vehicle used for transporting individuals for compensation, delivery of goods, courier or messenger service, parcel delivery, meal delivery or driver training (except for qualifying artisan vehicle or vehicles used for volunteer use);
- A short-term lease or rental vehicle;
- A funeral vehicle;
- A vehicle held for sale or used for demonstration or testing;
- A vehicle used for Ridesharing, or for taxicab services or commercially licensed limousine or livery services (except for vehicles driven for Uber and Lyft where the CAE no.1 is present);
- An emergency vehicle;
- A vehicle modified for commercial use/altered from its original manufacturer specifications to enable or support commercial activities. This includes, but is not limited to:
  - Installation of racks, toolboxes, or storage compartments for business purposes;
  - Structural modifications to increase cargo capacity or accommodate specialized equipment;
  - Conversion of seating arrangements to transport goods or passengers;
  - Any other alteration intended to facilitate the vehicle's use in a trade, profession, or business;
- A vehicle driven by employees;
- Vehicles that show as class series of 30 or 40 (other than 35 and 36) with the prior carrier on an Autoplus report;
- Vehicles with a Curb Weight over 4,500kg used for Farming operations
- A vehicle operated within an oilfield site;
- Vehicles used to transport passengers more than 2 times a week by insureds who work in the Social Services Sector

Deductible in the Event of a Chargeable At-fault Loss

The policyholder pays for all damages if the loss is less than the deductible amount chosen. If the loss is greater, the policyholder pays the deductible amount and Pembridge Insurance Company pays the excess amount.

When the insured has a claim under both Auto & Property, only the higher of the two deductibles will apply.

Glass Claims

Glass claims counted towards the requirement for AB-SEF 13(D) only include claims in instances where the glass is replaced and not repaired.

Household

A household consists of all individuals living at the same address.

Immediate Family Member

Immediate Family members are individuals living in the same household and are limited to:

- Insured;
- Insured's Spouse/Adult Interdependent Partner/Common-Law Partner;
- Spouse/Common-Law Partner living at different addresses for occupational reasons;
- Insured's Children (or children they are the legal guardian of);
- Children temporarily away at school/ college/ university while under the age of 25;
- Insured's Parents (including In-laws);
- Vehicles in a company name if the operator of the vehicle is the owner of the company or their spouse.

Insurable Interest

A legal relationship established by ownership or possession of a vehicle where ones vested interest, financially or otherwise, is prejudiced by its loss or damage and benefited by its continued existence.

Kit/Homemade/Custom-made Vehicles

Kit is a vehicle that is usually a replica or a new version of a vehicle, delivered in part or in whole to the purchaser.
Homemade is a type of vehicle, mainly built using new and used parts; and assembled by a non-professional vehicle builder.
Custom-Made is a type of vehicle with stylistic and/or structural changes to the 'standard' mass-produced machine offered by major manufacturers. Custom vehicles might be unique, or built in limited quantities.

List Price New

The vehicle retail selling price (including taxes) that is derived from the Vehicle Description Table (VDT) provided by the Insurance Bureau of Canada (IBC). The list price new includes the value of any customizing features and all permanently attached equipment.

Non-Chargeable Losses

The following Losses are not considered for the purposes of rating, but still considered for the purposes of Physical Damage coverage eligibility:

- An accident caused by a hit-and-run driver;
- An accident that occurred while the insured vehicle was parked;
- The accident was deemed to be 100% Not At-Fault;
- Where the other party is held 100% at-fault and the cost of the vehicle repairs were paid out 100% under Direct Compensation Property Damage;

Physical Damage

Insures against loss or damage resulting from an insured peril that causes property damage to the insured vehicle. Refer to All Perils, Collision or Upset, Comprehensive, and Specified Perils coverages for more details.

Policy Wordings

Standard Policy Wordings – *effective January 1st 2022*

Private Passenger Vehicles (PPV)

An automobile of the private passenger type (including High Performance, Utility Vehicles, and Truck with Camper Unit or Cap, station wagon or jeep type) used for personal pleasure, commute to work, family, business use or a qualifying artisan vehicle or a vehicle driven for Uber/Lyft where the CAE no.1 is present.

Specified Perils

Insures against loss or damage resulting from only perils named in the policy: Fire, Theft or attempt thereat, Lightening, Windstorm or Hail or Rising Water, Earthquake, Explosion, Riot or Civil Commotion, Falling or Forced Landing of Aircraft or Their Parts, Stranding or Sinking or Burning or Derailment or Collision of Any Conveyance in or upon which the Described Auto is Being Transported on land or water.

Spouse/Adult Interdependent Partners

Two persons who are married to each other or are living together in a conjugal relationship outside of marriage for a period of not less than two years or in a relationship of some permanence if they are the natural/adoptive parents of a child.

Third Party Liability

Insures against loss or damage resulting from an insured peril that causes bodily injury and/or property damage to the third party.

Transportation Network Companies & Ride Sharing (TNC)

A transportation network company (TNC) arranges transportation services for compensation using an online-enabled platform to connect passengers with drivers using their personal vehicle.

Underage Occasional Operators

Underage Occasional Operator is an operator under the age of 25 and who is not the principal operator on the vehicle.

Uninsured Motorist Coverage

Provides coverage if you or other insured persons are injured or killed by an uninsured motorist or by an unidentified (e.g. hit-and-run) driver. It also covers damage to your automobile and its contents caused by an identified, uninsured motorist.

Valid Canadian or US Driver's License

A driver's license issued by the government of a province or territory in Canada or a state in the United States of America and not expired, suspended, or revoked.

Vehicles over 20 years old

A vehicle 20 years or older that is used for regular transportation by the customer. These are automobiles that are in the condition typically expected for their age – they have not been customized, restored, or preserved to an extent that would increase the vehicles' value or be considered as Antique, Classic or Special Interest.

RATING RULES

DISCOUNTS

HLTV/HLTV Multi-Line Discount

Applicable to: Private Passenger

Qualifications:

- This discount is legacied on renewal policies, where the discount was received prior to March 8, 2021

Multi-Line Discount

Applicable to: Private Passenger

Qualifications:

- Third Party Liability coverage must exist on at least one vehicle on the policy;
- The vehicle must be owned or leased by an immediate family member;
  - Where the Auto policy is in a company name, the Multi-Line discount may be applied only if the operator of the vehicle is the owner and/or spouse of the owner of the company
- The Property policy type must be a principal residence Homeowner, Condominium or Tenant policy;
  - The Property policy must be of an immediate family member of the Auto policy
  - Discount will vary by policy type

Note: Discount extends to underage occasional operators if applicable.

Multi-Vehicle Discount

Applicable to: Private Passenger

Qualifications:

- Immediate family members living in the same household who insure two or more private passenger vehicles carrying Third Party Liability coverage with Pembridge;
- Discount will vary by the number of vehicles with Third Party Liability coverage on the policy.

Note 1: Discount extends to underage occasional operators if applicable.
Note 2: Operators with a suspended license, learner's permit, and excluded operators are not considered in the discount determination.

My_BRIDGE® Discount

Applicable to: Private Passenger

Enrollment Discount

Qualifications:

- A one-time Enrolment Discount of 0.5% is applied to vehicles enrolled into the My_BRIDGE® program;
- Vehicles may be enrolled at new business or renewal only;
- The Enrolment Discount is applied to the policy on a per vehicle basis, on the effective date of the policy or next policy renewal date;

- Failure to download the App, complete the Enrolment process by reviewing and accepting the terms and services and activate the App within thirty (30) days of receiving the electronic communication will result in the loss of the Enrollment Discount and a re-rating of the policy;
- Only Principal drivers must download and activate the My_Bridge® App (i.e. maximum of one Principal driver per vehicle);
- Mandatory coverages required;
- Minimum license requirement: Class 5 GDL;

My_BRIDGE® Discount (Earned Discount at Program Renewal)

Qualifications:

- At renewal, the Enrolment Discount is removed and an earned discount is applied;
- To determine the earned discount (My_BRIDGE® Discounts) the App must:
  - Collect driving data for a minimum of 180 days (six (6) consecutive months);
  - Record at least one (1) trip, excluding any Invalid Trip, in the App every 30 days
  - Track and display a minimum of 1,000 km of mileage in the App
- The discount is determined based on the driving scores produced from the confidential Arity Drivesight model;
- The driving scores determined from Arity will be calculated on a vehicle basis, based on the data from the Principal operator. The driving scores determined by Arity will range from 1 to 100, which are then mapped to an earned discount.

Monitoring Period

Certain policy changes may require a new monitoring period in order to continue to qualify for the My_BRIDGE® discount. The monitoring period will be 180 days (six (6) consecutive months). These changes are:

- An additional vehicle is enrolled in the program
- The Principal driver of an Enrolled Vehicle changes
- Insured address changes
- Proper Use or Minimum Mileage requirements during the applicable Monitoring Period has not been met

Exclusions:

<u>Frequent Disconnection and Reconnection of the App</u>

The continuous or frequent uninstalling and/or disabling of the App during the applicable Monitoring Period may jeopardize the ongoing participation in the Program and may result in the loss of the Enrolment Discount and the My_BRIDGE® at renewal of the Enrolled Vehicle.

<u>Tampering with the App</u>

A vehicle driven by an insured found to be tampering with the app will be ineligible for continued participation in the My_BRIDGE® program. At the earliest renewal following the discovery of tampering, any previously applied Enrolment Discount or My_BRIDGE® discount will be removed and the vehicle will be ineligible for future re-enrolment.

Participants will have the ability to mark trips as not taken on the App and Arity will not include those trips in determining the driving score.

<u>Failure or Refusal to Participate in a Monitoring Period</u>

Failure or refusal to participate in a required monitoring period will result in removal of the Enrolment Discount or My_BRIDGE® Discount at the next renewal and exclusion from the program.

Violation Free Discount

Applicable to: Private Passenger

Qualifications:

- A discount will be applied when the rated operator(s) is violation free for the past 3 years for minor/major violation(s), and the past 4 years for criminal violation(s);
- This discount will be removed at renewal when the rated operator(s) incurs any type of violation(s).

SURCHARGES

Accidents

Applicable to: Private Passenger

Qualifications:

- A rated principal and rated underage occasional operator shall be surcharged for a chargeable At-Fault loss within the past 6 years ending on the effective date of the policy if it involved a private passenger or utility vehicle;
- If the operator involved in the accident is a listed operator, the accident will be rated against the same operator. If the operator involved in the accident is not a listed operator, the accident will be rated against the named insured of the policy arising out of the ownership;
- In the event an applicant is in disagreement with Pembridge on the surcharge for an accident that occurred with a prior insurer, the applicant must provide Pembridge with a loss history statement furnished by their prior insurance company.

Multiple Vehicles

- When there are two or more vehicles with the same operator, their chargeable At-Fault loss will be rated once on the vehicle with road coverage (Third Party Liability & Physical Damage coverage) that is the highest rated

Violations

Applicable to: Private Passenger

Qualifications:

- A violation incurred by an operator is chargeable if the violation date falls within 3 years ending on the effective date of the policy for minor and major violations, and within 4 years on the effective date of the policy for criminal violations;
- The violation surcharge for the rated principal operator is derived from the operator (over 25 years of age) on the vehicle that is the highest rated operator;
- The violation surcharge for the rated underage occasional operator is derived from the operator (under 25 years of age) on the vehicle who is the highest rated underage occasional operator.

Multiple Vehicles

- When there are two or more vehicles with the same operator, their chargeable violation(s) will be rated once on the vehicle with road coverage (Third Party Liability & Physical Damage coverage) that is the highest rated

IRS Administrative Penalties and IRS convictions are treated the same. A list of violations and their severity can be found here.

OTHER RATING RULES

Artisan Vehicle Use

- The Private Passenger rate applied must be Business Use unless the vehicle usage is to a permanent job site that is less than 32 kilometers one way. In these instances, the permanent job site location should be documented and Work/Commute Use (16-32 kms) can be used;
- See Artisan Vehicle

Claims Forgiveness Program

In the event of one chargeable At-Fault loss within the past six years involving the insured vehicle (or its substitute), the premium determination of the vehicle (or its substitute) will not be adjusted because of that one chargeable At-Fault Loss. A policy holder may only have one chargeable At-Fault loss forgiven at a time. A chargeable At-fault loss that is forgiven will not be used for program eligibility but is still considered for Pembridge's risk eligibility purposes.

Qualifications:

Entry to Program

All Rated Operators

- No At-Fault losses in the past six years;
- No lapse in coverage within the past two years;
- No more than one minor violations;
- No major/criminal violations;
- No license suspensions in the past five years;

Highest Rated Principal Operator

- Six or more years licensed;
- Three or more years of verifiable insurance experience;
- No non-payment cancellations in the past three years

Ongoing Renewal After Entry to Program

All Rated Operators

- Two or less At-Fault losses in the past six years;

Note 1: For vehicle(s) with all rated operators that meet the above qualifications, this program will be applied on a vehicle level

Note 2: If a rated underage occasional driver has a forgiven chargeable At-Fault loss and obtains their own Pembridge policy, the forgiven loss may follow the driver to the new policy and may remain forgiven under the Claims Forgiveness Program

Customization

Making changes to a vehicle that can alter them from the version as sold by the manufacturer. Depending on the nature and extent of the modifications, these can affect the exposure to loss that the vehicle now represents, making it more costly to repair or more likely to be stolen or both. For rating purposes, any customization over $2,000 will be added to the List Price New of the vehicle. The rate groups and list price new will be increased depending on the amount of customization. To determine the appropriate rate groups, increase the rate groups published for the vehicle by using the Add-on Rate Group Table. All customizations including amounts of $2,000 or less should still be noted and documented for underwriting and claim purposes however no additional premium will be charged. Some acceptable examples are special paint jobs, vehicle modified for medical accessibility and other customization that do not enhance/alter the performance of the vehicle.

Driver Training

Driver training means completion of a driver education course conducted by certified instructors, as verified by a certificate issued by the Alberta Department of Education or the Alberta Department of Transportation. If from another province the institution and certificate must have the approval of that provinces Government.

A newly licensed driver (not applicable to drivers with Learner's Permits), with driver training, shall qualify for and be rated at no less than three years licensed. A Driver Training Certificate will need to be submitted in order to qualify and the Driver Training Course must have been completed within the past 36 months to qualify for the Driver Training Credit. The driver must remain accident free to qualify for driver's training credit.

A newly licensed driver (not applicable to drivers with Learner's Permits), without Driver Training, shall be credited with one year licensed in addition to that for which they qualify, up to a maximum of three years license, provided that such person:

- is accident free at the time of application;
- remains accident free;
- driver's license has not been suspended, cancelled or lapsed;
- obtained the driver training certificate within the last 36 months.

Note 1: Accident free means having a clear record.
Note 2: The driver does not become eligible for a higher driving record until they have completed the required number of years driving without an accident.

Highest Rated Vehicle

The **Highest Rated Vehicle** is determined as follows:

- **Vehicle Coverage** is reviewed first – vehicles with optional Physical Damage coverage will be considered higher rated than liability only, which will be considered higher rated than Comp only and vehicles with AB-SEF 16;
- If vehicle coverage is identical for all vehicles, **Rate Groups** are reviewed (excluding AB rate group). The vehicle that generates the highest average rate group will be considered highest rated;
- If all of the above are identical, the lowest **Numbered Vehicle** on the policy (i.e. vehicle #1) will be considered highest rated.

Insurance Score

All vehicles on the policy will qualify for the best Insurance Score (IS) band. A credit will be applied to the policy based on the best IS band on the policy. The credit will also extend to underage occasional operators if applicable.

Insurance Scores will be ordered on the applicant or their spouse if we have their consent and they are listed as an operator (either principal or occasional) on an insured vehicle. If consent is not given, we cannot order an Insurance Score as this would violate the Consumer Reporting Act. This is an important compliance issue and no exceptions can be made. If consent is not obtained from either, we will not order an Insurance Score and our base rates will apply.

Marital Status

A marital status of married/common-law/widow will be rated as married; all others will be rated as single.

Occasionally Transporting Passengers

Vehicles used to transport passengers 2 times a week or less by insureds who work in the Social Services Sector (for organizations such as the Children's Aid Society that occasionally need to transport a passenger as part of their job and not get paid to do so) must be rated as business use.

Occupation Rating

An occupation credit will be applied to the vehicle provided the following:

- The rated principal operator or rated underage occasional operator must be actively employed in one of the listed occupations.

<table>
<tr><th colspan="2">Occupations</th></tr>
<tr><td>Architect
Educators
• Teachers (in school)
• University & College Instructors
Engineers, Scientists & Mathematicians
Emergency Service
• Fire
• Paramedic
• Police
Financial Services
Accountant, Actuary, Economist, Financial Advisor and Financial Broker</td><td>Government Staff
• Federal & Provincial
Lawyers
Marketing & Advertising Professional
Medical & Paramedical Professionals
• Chiropractors, Optometrists, Pharmacists, Physical/Occupational/Speech Therapists, Physicians, Dentists, Veterinarians, Nurses
Medical Non- Professionals
• Dental Hygienist, Dietician, Nutritionist, Optician, Technicians (Research, Medical)
Military
Public Transportation</td></tr>
</table>

Operator Assignment

The highest rated principal operator who is not an underage occasional operator, is determined based on the risk points derived from At-Fault claims history in the past 6 years, minor/major violations in the past 3 years, and criminal violations in the past 4 years.

Criteria	Incident	Risk Points
At-Fault Losses	Each at-fault loss in the past 6 years	5
Convictions	Each minor conviction in the past 3 years	1
	Each major conviction in the past 3 years	2
	Each criminal conviction in the past 4 years	7

If the risk points are tied between two operators and one of the operator is the assigned principal operator, then the assigned principal operator becomes the designated highest rated principal operator. Otherwise the operator with the lower driver number will be designated as the highest rated principal operator.

An operator will not be assigned as the highest rated principal operator more than once except when the number of vehicles exceed the number of operators.

The rating will be based on the characteristics of the highest rated principal operator. The highest rated principal operator may differ from the operator who is assigned as principal operator of the vehicle.

An operator cannot be reused as the principal operator until all other listed operators are assigned to a vehicle with road coverage (Third Party Liability & Physical Damage coverage), regardless if the vehicle is being insured with a different company. Each listed operator should be rated as principal operator of at least one vehicle with road coverage.

Note: The highest rated principal operator who is not an underage occasional operator listed on the vehicle must be assigned as the principal operator of the vehicle.

Rateable Lapses

A lapse in insurance resulting from the following:

- Suspension of the insured person's driver's license;
- A lapse in insurance coverage of 24 months or longer;

Rating Territories

The premium for a vehicle is determined by the territory in which the vehicle is principally garaged and used.

Underage Occasional Operator Factors

A separate occasional driver rate will be charged for underage occasional operators (UOO) under the age of 25. This rate is generated by applying an underage occasional operator factor to the rate that would be charged for that operator if they were a principal operator. There is no additional premium charged for Comprehensive or Specified Perils coverage with an underage occasional operator exposure.

Underage Occasional Operators & Vehicle Assignment

The highest rated underage occasional operator is determined based on the risk points derived from At-Fault claims history in the past 6 years, minor/major violations in the past 3 years, and criminal violations in the past 4 years.

Criteria	Incident	Risk Points
At-Fault Losses	Each at-fault loss in the past 6 years	5
Convictions	Each minor conviction in the past 3 years	1
	Each major conviction in the past 3 years	2
	Each criminal conviction in the past 4 years	7

If the risk points are tied between two operators, the operator with the lower driver number will be designated as the highest rated principal operator.

Multiple Underage Occasional Operators and Vehicles

- The number of charges for underage occasional operators must equal the number of occasional operators under age 25 or the number of vehicles; whichever is less;
- If there is more than one underage occasional operator on a vehicle, the rating will be based on the characteristics of the highest rated underage occasional operator.

Married Underage Occasional Operators

- A separate underage occasional operator rate will not be charged for a spouse/interdependent partner under the age of 25. Any other occasional operators under the age of 25 will result in an underage occasional operator rate being applied;
- In the case of a married spouse/common-law partner driving the same vehicle, the highest rated spouse/common-law partner shall be listed as the principal operator. The highest rated would follow the same logic as for multiple underage occasional operators.

Rated Principal Operator Under 25

- A separate underage occasional operator rate will not be charged when the rated principal operator is under the age of 25. In these cases, the highest rated operator must therefore be listed as the principal operator, regardless of actual vehicle use. The highest-rated would follow the same logic as for multiple underage occasional operators.

Note: The highest rated underage occasional operator listed on the vehicle must be assigned to the highest rated vehicle.

Use of Vehicle Classification

The vehicle use will be derived from the highest use of all operators of the vehicle. If vehicle use is the same for all operators, then the rated principal operator use will be considered.

From highest to lowest, vehicle uses are classified as follows:

- Business Use – The operation of a private passenger vehicle in connection with the operator's occupation, profession or business (Examples: Real Estate Agent, Insurance Broker, Salesperson) other than driving to and from their place of occupation.
- Work/Commute – Vehicle is not used for business but is customarily driven to work or school (including use in a car pool) or to any location where other transportation is taken to work (e.g. to a bus, railway or subway station).
    - 8 or less kilometres one-way
    - 8.1 – 22 kilometres one-way
    - 22.1 or more kilometres one-way
    - Where a vehicle is driven 1-3 days per week as commute, multiply the commute distance traveled by the number of days the insured or applicant uses the car for commuting and divide by five
- Pleasure Use Only – Vehicle is not used for business, work/commute, professional or vocational purposes and may not be driven to place of employment or part way to and from place of employment (e.g. to a bus, railway or subway station).

Vehicle Registered in a Company Name

A memo is to be added indicating the following:

- Reason the vehicle is registered under the company name. If not solely for tax purposes, the risk will be ineligible.
- Who owns the company? If named and/or spouse are not the sole owners of the company, the risk will be ineligible.
- If any employees have access to the vehicle. If employees have access to the vehicle, the risk will be ineligible.
- Nature of the business. If by the nature of the business, it is indicated that there is commercial use on the vehicle, the risk will ineligible.
- Also review Artisan Vehicle and Artisan Vehicle Use.

Vehicle Safety Rating

A vehicle safety credit will be applied to all vehicles equipped with any of the listed safety features. The credit will be determined based on the sum of the features listed below:

Safety Features	
Forward Collison Mitigation Brakes to avoid collision automatically, and alerts the driver to an impending collision	**Driver Monitor** Designed to reduce accidents caused by inattentiveness due to driver fatigue or driver distraction
Lane Departure Mitigation Corrects trajectory to avoid lane departure, and alerts the driver to an impending lane deviation	**Parking Assist Sensor and/or Camera** Vehicle performs the necessary parking maneuvers either fully autonomously or semi-autonomously
Selected (Restricted) Driver Mode Allows the vehicle owner to set a restricted vehicle mode (e.g. max. top speed, audio volume) to promote safe driving habits for other users (e.g. teenagers) of the vehicle (e.g. Ford MyKey)	**Warning Systems** - Forward Collision Warning - Rear Collision Warning - Lane Departure Warning

Welcome Program

Applicable to: Private Passenger

Qualifications:

This discount is legacied on renewal policies, where the discount was received prior to March 1, 2024

Years Licensed

- License from Alberta, the credited number of years licensed is the date first licensed with Class 5 Graduated Driver's License (GDL)
- License from other regions, the credited number of years licensed is counted from the date they first obtained their driver's license in Canada or the United States
- Gaps in continuous license experience due to a license suspension within the past six years will be deducted from the credited number of years licensed, the result shall be rounded to the next lower full number of years, subject to a net maximum of three years. The license experience will be re-adjusted to the credited number of years from the date first licensed after the suspension has passed the six year period

Note: Class 7 licence remains at 0 years credit until graduating to Class 5.

Years of Verifiable Insurance Experience

The sum of the years of insurance experience from prior insurance providers and the years of insurance experience from Pembridge. Years of insurance experience with prior insurance provider is cumulative and does not need to be consecutive, provided the lapses are not rateable. If a rateable lapse exists, credit will be given for experience after the rateable lapse. The recognized years of verifiable insurance experience will be the lesser of the number of credited years licensed or the years verifiable insurance experience of the first listed operator on the policy.

Note: Experience developed outside of Canada & the United States is not recognized. Experience from fleet vehicles, recreational vehicles, vehicles that show as a commercial class series (other than class 35 and 36) on Autoplus, and any other vehicle not considered a private passenger vehicle is not recognized.

ENDORSEMENTS

AB-SEF 3: Drive Government Automobile Endorsement

Coverage Wording/Form

This endorsement provides coverage for an insured when they operate a vehicle owned by the Government of Canada or by the Government of any Province or Territory of Canada.

Vehicle Type: Private Passenger
Rating Rules: Maximum coverage limit of $40,000 & classify as Business use
Premium Calculation: $50

AB-SEF 5(A): Permission to Lease – Specified Lessee Endorsement

Coverage Wording/Form

This endorsement grants permission to the lessor (the leasing company) to rent or lease the vehicle on a long term basis to a specified person.

- The endorsement provides coverage to the lessee as if the lessee were the named insured;
- Both the leasing company and the lessee are established as the named insured on the policy record.

Vehicle Type: All Lines
Premium Calculation: No Charge

AB-SEF 6(A): Carry Passengers for Compensation or Hire

Coverage Wording/Form

A vehicle owned by an individual and used to carry passengers, such as fellow employees or neighbors, for compensation or hire to and from their place of employment while, and only while, the Insured themselves uses the vehicle to go to and from their place of employment.

- Risks not qualifying within the wording of the SPF 1, use AB-SEF 6(A) with the following words inserted in the third line of the body of the endorsement after the words "described as follows":
    - "To carry passengers for compensation or hire to and from their employment while and only while the insured themselves is going to and from their employment."

Vehicle Type: Private Passenger
Premium Calculation: No Charge

AB-SEF 8(A): Named Person Property Damage Reimbursement

Coverage Wording/Form

This endorsement requires that the insured reimburse Pembridge a specified or actual amount of loss in respect of damage to property of others where indemnity is provided under Section A of the policy.

- AB-SEF 8(A) must be signed by all named insureds and is to be used only in connection with the AB-SEF 28(C) Named Person(s) Reduction of Coverage Endorsement.

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 9: Marine Use Excluded Endorsement - (Amphibious Vehicles)

Coverage Wording/Form

This endorsement excludes loss or damage occurring while the vehicle is being used in or upon water or while being launched or landed.

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 13(D): Limitation of Glass Coverage Endorsement

Coverage Wording/Form

Amends the comprehensive coverage by deleting coverage for damage to glass unless caused by a hazard included in the Specified Perils coverage.

- All Perils is to be deleted and replaced with Collision and/or Comprehensive coverage if AB-SEF 13(D) is to be added on

Vehicle Type: Private Passenger
Premium Calculation: Discount will vary by the Comprehensive deductible level, where the deductible is higher than $1000 no discount applies

AB-SEF 13(H): Existing Hail Damage – Deletion of Hail Coverage Endorsement

Coverage Wording/Form

This endorsement provides that the insurer shall not be liable under any subsection of Section C for loss or damage to the stated vehicle if that damage was caused by hail;

- This endorsement must be added onto vehicles where hail damage exists;
- If the insured provides satisfactory evidence that the hail damage has been repaired, the endorsement becomes null and void.

Vehicle Type: Private Passenger
Premium Calculation: No Charge

AB-SEF 16 & AB-SEF 17: Suspension of Coverage and Reinstatement of Coverage

Coverage Wording/Form AB-SEF 16 | AB-SEF 17

The standard endorsement forms provide for the suspension and later reinstatement of coverage in the event that the described vehicle is laid up for a period of not less than 45 days. The advantage of AB-SEF 16 over the normal deletion of coverage is that the policy continues to provide certain Third Party Liability, Accident Benefits, and Uninsured Motorist coverage while the vehicle is in storage.

Vehicle Type: Private Passenger Vehicles
Premium Calculation: Both return and addition premiums are calculated on a pro-rate basis. For Single Vehicles Insured by Pembridge, the below factors are applied to the return and addition pro-rated premiums:

Third Party Liability	DCPD	Accident Benefits	Collision
90%	90%	75%	100%

AB-SEF 19(B): Limitation of Amount Endorsement

Coverage Wording/Form

The Standard Policy insures up to the limit of actual cash value of the vehicle. This policy change form limits the amount payable under Section C of the policy to the actual cash value or the amount stated on the form, whichever is lesser. This form is not to be construed as a guarantee of the value in the event of a claim.

- This form may not be used to decrease the rate group;
- Vehicles less than 20 years old do not qualify for this endorsement. Vehicles under 20 years old with special customized features with an appraisal should be handled as a customized vehicle;

Vehicle Type: All Vehicle Types
Premium Calculation: No charge

AB-SEF 20: Loss of Use Endorsement

Coverage Wording/Form

Reimburses the insured up to the limit shown on the form for expenses incurred for procuring alternate transportation while the vehicle is being repaired, or until settlement offer has been made, as a result of an All Perils, Collision, Comprehensive or Specified Perils claim;

- Available limits: $1200, $1500, $1800, $2000, $2500, $5000;

Vehicle Type: Private Passenger and Artisan vehicles
Premium Calculation:

Limit	6 Month Premium	12 Month Premium	Bundle* 6 Month Premium	Bundle* 12 Month Premium
$1200	$20	$40	$15	$30
$1500	$25	$50	$20	$40
$1800	$30	$60	$25	$50
$2000	$33	$65	$28	$55
$2500	$38	$75	$33	$65
$5000	$60	$120	$55	$110

*When bundled as a Package (AB-SEF 20/27)

AB-SEF 23(A): Lienholder, Mortgagee or Assignee Endorsement

Coverage Wording/Form

Used to identify a lienholder's insurable interest in the insured vehicle and gives the lienholder 15 days notice of cancellation of any Physical Damage coverage (Section C) on the policy

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 27: Legal Liability for Damage to Non-Owned Automobile Endorsement

Coverage Wording/Form

This endorsement provides coverage against the legal liability for damage to a vehicle not owned by the insured, but in their care, custody and control.

Vehicle Type: Private Passenger
Premium Calculation:

Limit	6 Month Premium	12 Month Premium	Bundle* 6 Month Premium	Bundle* 12 Month Premium
$40,000	$13	$25	$8	$15
$50,000	$16	$30	$10	$20

*When bundled as a Package (AB-SEF 20/27)

AB-SEF 28(C): Named Person(s) Reduction of Coverage Endorsement

Coverage Wording/Form

This endorsement reduces limits or coverage under the policy while the person named in the endorsement is operating the insured vehicle.

- The Third Party Liability must be at least the minimum limits and Accident Benefits remain in force;
- The form must be signed by the named insured and the driver being excluded at New Business activation or when adding a new vehicle or replacing an existing vehicle (including mid-term changes). A new form is required at subsequent renewals;
- AB-SEF 28(C) must be signed by all named insureds and is to be used only in connection with the AB-SEF 8(A) Named Person Property Damage Reimbursement Endorsement;
- AB-SEF 28(C) form cannot be used to waive a claim for an unlisted operator. The claim will continue to be rated for and underwritten against the named insured.

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 30(B): Attached Machinery, Apparatus or Equipment Exclusion Endorsement

Coverage Wording/Form

Coverage is excluded under Third Party Liability and the Accident Benefits sections of the policy for the operation of certain types of machinery. Examples include well drilling, spraying, welding, excavating or hoisting. Such machinery is not excluded with respect to the Physical Damage section of the policy.

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 32: Off-Highway Vehicle Endorsement

Coverage Wording/Form

Gives coverage for underage operators while the vehicle is used off a public road.

Vehicle Type: ATV and Snowmobiles
Premium Calculation: No Charge

AB-SEF 37: Limitation to Automobile Electronic Accessories and Electronic Equipment

Coverage Wording/Form

This endorsement limits theft coverage for electronic accessories (other than factory-installed) to the lesser of the actual value of the equipment or $1,500.

- This endorsement must be signed by the insured.

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 38: Specified Limit(s) - Automobile Electronic Accessories and Electronic Equipment

Coverage Wording/Form

This endorsement limits theft coverage for electronic accessories (other than factory-installed) to the lesser of the actual value of the equipment or $1,500, unless the equipment is listed in the endorsement.

- This endorsement must be signed by the insured.

Vehicle Type: All Vehicle Types
Premium Calculation: $30 per $1000 coverage limit as shown on the endorsement

AB-SEF 40: Fire and Theft Deductible

Coverage Wording/Form

This endorsement applies the deductible to All Perils, Comprehensive or Specified Perils for losses caused by fire or theft of the entire automobile. This deductible does not apply to loss by lightning. The policy change form must be signed by the insured.

Vehicle Type: All Vehicle Types
Premium Calculation: No Charge

AB-SEF 43R: Limited Waiver of Depreciation / AB-SEF 43R(L): Specified Lessee Limited Waiver of Depreciation

Coverage Wording/Form AB-SEF 43R | AB-SEF 43R(L)

This endorsement waives depreciation, except to tires, batteries and betterment resulting from necessary repair or replacement of parts having unrepaired damage, if the insured is the original owner/lessee of the vehicle and if the loss or damage occurs within 30 months of the original delivery date on the subsequent renewal.

- If the vehicle is a demonstrator, it must have less than 5,000 km;
- The insured must carry Third Party Liability coverage, except for when AB-SEF 16 is added or all but comp coverage has been removed (when vehicle is parked);
- Vehicle must qualify for Physical Damage coverage in order to qualify for this endorsement.

Vehicle Type: Private Passenger, Utility Vehicles, Motorhomes and Travel Trailers
Premium Calculation: $40 per vehicle

AB-SEF 44: Family Protection Endorsement

Coverage Wording/Form

This endorsement protects eligible claimants against uninsured or inadequately insured motorists. The maximum payable under this coverage is the amount by which the limit on the form exceeds the liability limits of the inadequately insured motorist. The maximum payable under this coverage is the difference between the liability insurance limit of the insured's policy and that carried by the motorist at-fault.

Vehicle Type: All Vehicle Types

CAE No 1: Restricted Transportation Network Automobile Endorsement

Coverage Wording/Form

This endorsement removes one of the limitations in section 8 (c) under General Provisions, Definitions and Exclusions of your policy to permit the vehicle(s) to be used to carry paying passengers as a transportation network vehicle subject to the eligibility below.

The removal of the exclusion applies only to the time the transportation network application is enabled and the driver of the Transportation network vehicle is waiting to be assigned a ride from or on behalf of a paying passenger or paying passengers via the Transportation network application.

Please refer to the change form wording for coverage details. The change form must be signed by the named insured and the actual transportation network vehicle driver(s) when first added to the policy and each subsequent renewal.

The following information must be obtained and documented on the policy:

- The vehicle used for the transportation Network company
- Name of transportation network company
- Name of all Drivers for the transportation network company
- Maximum hours driven per week

Ineligibility:

- The vehicle is used as a transportation network company vehicle for more than 20 hours per week. Over 20 hours per week at any time is considered primarily commercial use, meaning that the vehicle is not eligible for the endorsement and is not eligible to be rated as a private passenger;
- The driver is not a listed operator;
- The vehicle seating capacity exceeds 8 occupants;
- The vehicle is plated as a taxi, limousine, or as any public transportation;
- The vehicle is used for deliveries of goods or any other commercial use except carrying paying passengers as a transportation network company vehicle;
- Vehicle does not have full coverage.

Vehicle Type: Private Passenger
Rating Rules: Vehicles are to be rated as Business use
Premium Calculation: No Charge

PAYMENTS & PROCESSING

PAYMENT OPTIONS

Monthly Payment Plan

The Monthly Payment Plan (MPP) allows policyholders to pay their premium in pre-authorized automatic monthly installments. The broker's commission will be paid on the full term premium, at inception, as per your broker agreement. Payments may be made from a bank account or credit card. MPP will operate with any account held with a Canadian bank, trust company, credit union or other financial organization on which cheques may be written, or any valid VISA, or MasterCard credit card.

Ineligibility

- Any insured cancelled for non-payment of automobile insurance premiums in Alberta two or more times in the last 36 months;
- Poor payment history in the current policy term:
  - 1 or more NSF's in the current policy term (policy will become eligible for payment plan again at renewal).

Service Charge

A 3% service charge for 12 month and 6 month policies applies to each Monthly Payment Plan policy. The full amount of service charge is spread over all installments.

Effective April 1 2026 for New Business / December 12 2026 for Renewals - A 5% service charge for 12 month and 6 month policies applies to each Monthly Payment Plan policy. The full amount of service charge is spread over all installments.

Service charges are not included in the quoted premium; however, failure to pay these charges will subject the policy to termination for non-payment of premium.

Service charges and total policy amounts are shown on the system-generated quote illustrations.

Timing of Payments

Pre-Authorized Chequing

Properly completed and signed payment plan application. The balance of payments will be made in equal monthly installments, depending on the policy term, by automatic debit to the insured's bank account. Monthly installments will be debited on the 4th day following the expiry date of the policy (e.g., policy effective Nov. 9 all installments will be due on the 13th of each month), commencing one month from the effective date.

Credit Card

Properly completed and signed payment plan authorization form. Please ensure that the Card holder and the insured are the same and that the signature on the authorization form matches to that of the back of the credit card. The balance of payments will be made in equal monthly installments by automatic debit to the insured's credit card. Monthly installments will be debited on the same day as the expiry date of the policy (e.g., policy expiry date is Nov. 9th, all installments will be due on the 9th of each month).

Full Pay Plan

One payment of the full term premium is made for 12 months of coverage.

Service Charge

There is no service charge with a Full Pay policy.

Timing of Payments
The payment must be made at or prior to the effective date of the policy or the due date specified on the renewal offer.

PAYMENT & PROCESSING RULES

NSF Charge

A charge of $50 plus applicable sales tax and fees applies to each NSF charge returned to us.

Notice

The insured will be given prior notice of any change to be made to the originally determined bank withdrawal amount. The insured's bank account will be treated with all due respect and consideration of good business practices

Payment Default

A payment default will result in an administration charge and the account being removed from the Monthly Payment Plan. Any future payment for the remainder of the current term will have to be made in full and guaranteed funds.

Reinstatement of the Monthly Payment or Credit Card Payment Plan will not be permitted until the upcoming renewal.

Premium Period

The premiums shown are for a period of six months or one year. In consideration of payment of premiums when due, policies are issued on a continuous basis and shall remain in force from inception until cancellation.

Minimum Premiums

Except where otherwise specified, the Minimum Premium for any form of automobile policy (new or renewal) shall be $25 and this amount shall be a retained Minimum Premium regardless of the period of coverage.

Minimum Charge/Refund

No charge will be made and no refund given when a net change amounts to $5.00 or less.

Additional Premium

If an additional premium is required after the policy has been issued, either for an endorsement, or other change to the policy, the additional premium and the allowable financing charge will increase the next installment to maintain equity.

If an endorsement is processed after the last scheduled installment has been debited, an invoice may be issued requesting payment in full, or the additional premium may be added to the first installment of the next policy term.

Reinstatement

Cancellation because of non-payment of any premium due may be rescinded if full payment is paid and is received by Pembridge prior to the effective date of the termination of coverage. Where the policy was cancelled or lapsed due to non-payment, a new application is required.

Whenever a policy is cancelled at the request of the insured and subject always to a minimum premium of $25 being retained, except where otherwise specified, one of the following short rate tables will be used for computing the retained premium

Cancellations

Policies or renewal certificates not accepted by the Insured on or before the effective date should be retained on file in your office. In all situations, except renewals, where coverage has been in force, the greater of the actual premium earned or the minimum retained premium will be due.

Cancellation & Endorsement Calculations

All transactions are calculated on a pro rata basis (except for mid-term cancellations at insured request). Where a policy has been paid in full and the net charge is less than $5.00, the additional premium will be waived. For all other endorsements, any charge or credit resulting from changes in coverage or amounts of insurance shall be calculated using the rates under which the policy was written or last renewed.

Cancellation by Company (Mid-Term) – Private Passenger Vehicles

The cancellation of a policy by the company for reasons such as underwriting or non-payment shall be on a pro-rated basis.

Cancellation by Policyholder (Mid-Term) – Private Passenger Vehicles

The cancellation of a policy at the request of the insured is on a short rate basis, except if:

- Total theft or destruction of an automobile;
- Sale of automobile if the purchaser insures the automobile with Pembridge;
- If an automobile is cancelled and the policyholder has insurance with Pembridge on another automobile;
- Death of the insured;
- Cancellations of part of a policy;
- If the insured moves to a province where Pembridge does not provide insurance (i.e. Government insurance);
- Cancellation Rewrites where:
    - When a new policy is written to cover an automobile which replaces the automobile covered by the cancelled policy, provided the new policy is effective not more than 30 days after the cancellation date of the old policy.;
    - When an insured requests a change of address to another Province;
    - When there is a valid cancellation rewrite reason, provided the effective date of the new policy is the cancellation date of the old policy.

Short Rate Cancellation Table

The earned premium retained by the company shall be calculated using the following short rate cancellation table:

Short Rate Cancellation Table (12 month policies)

Short Rate Cancellation Table (6 month policies)

ALL-TERRAIN VEHICLES

INELIGIBILITY

A. Pembridge Insurance Company's rules for declining to issue, terminating or refusing to renew a contract are:

- Less than 4 wheel All-Terrain Vehicles, Dirt Bikes and other off-road vehicles
- Home-made / Reconstructed or Modified / Kit vehicles of any type
- ATVs that are racing machines or have modified engines
- Miscellaneous vehicles used for anything other than recreational purposes
- Dune Buggies and Golf Carts
- Children's / youth ATVs unless they meet the following requirements:
    - Operated in compliance with the Off-Highway Vehicle Act
    - Must be a minimum 91 cc to a maximum of 250 cc
    - A supporting adult ATV is insured with Pembridge Insurance Company
- Outstanding earned premium due to Pembridge and or affiliated companies
- Operator of a vehicle whose license is under suspension, cancelled, lapsed or does not have one.
- Non-disclosure of pertinent information and/or missing pertinent information (e.g. accident(s), claim(s), conviction(s), use, ownership, but not limited to).
- Material change in risk (e.g., ownership, use, operator(s) enhancements to vehicle, but not limited to).
- Physical Damage coverage only
- One time or limited time insurance for the sole purpose of travel (usually visitor to province or trip permit).
- Vehicles garaged outside the province for six months or more.
- Insurance fraud - when the insured /applicant or any person who is a regular or frequent driver of the vehicle has been found by a court of competent jurisdiction, in either criminal or civil proceedings, to have committed a fraud in any way connected with automobile insurance
- If previously cancelled within the past 36 months for non-disclosure or misrepresentation
- Health or drink problem or an operator with a "Condition Code" requiring a periodic medical or requiring the use of an interlock device
- Any risk where there are more than 1 non pay cancellation in the last 3 years.
- Any operator:
    - 2 or more at fault accidents in the last 6 years of any combination with any vehicle type
    - 1 or more Major convictions in the last 3 years
    - 1 or more Criminal Code/Serious convictions in the last 5 years
    - 3 or more Minor convictions in the past 3 years
- Any risk with one of the following criminal convictions or one substantially the same committed inside or outside of Canada within the last 10 years:
    - Criminal negligence committed in the operation of a motor vehicle
    - Manslaughter committed in the operation of a motor vehicle

GENERAL RULES

- Separate policies must be written for a 1 year term. If written with an existing auto policy, the all-terrain vehicle will follow the policy term. To calculate premiums for a 6-month term, take 50% of the annual premium.
- Full Payment is required for ATV's written on a separate policy.
- Must carry the same Liability limit as the supporting private passenger vehicle.
- All-Terrain Vehicles must be insured for Liability, and Accident Benefits. We will NOT allow seasonal

suspension or deletion of coverage.
- Acceptance subject to private passenger auto acceptability.
- S.E.F. 9 Marine Use Excluded must be added to all vehicles/policies.
- S.E.F. 32 Use of Recreational Vehicle by Unlicensed Operators must be added to all vehicle/policies which carry liability coverage.
- S.E.F. 40 Fire and Theft deductible must be added to all vehicles/policies which carry Collision/All Perils/Comprehensive/Specified Perils coverage.
- Physical damage coverage not available for any vehicle over 10 model years old.
- Physical damage coverage will not be written on new applications without Third Party Liability (Bodily Injury and Property Damage) and Accident Benefits coverage

DEFINITIONS

All-Terrain Vehicle

This type of vehicle is designed to travel over land or water with 4 or more wheels and not licensed for road use.

Pembridge will accept the following classes of ATV:
- Heavy Duty
- Recreational
- Sport
- Youth models under the following conditions:
  - Operated in compliance with the Off-Highway Vehicle Act
  - Must be a minimum 91 cc to a maximum of 250 cc
  - A supporting adult ATV is insured with Pembridge Insurance Company

RATING RULES

DISCOUNTS

HLTV Discount

Our New Business Target HLTV customers will also qualify for an additional 10% discount off of Physical Damage premiums.

Multi-Line Discount

A 10% discount is available to ATV's where the insured also has a principal property policy insured with Pembridge (homeowner, condominium or tenant packages). This discount is applicable to Physical Damage rates only.

Multi-Vehicle Discount

A 10% discount is available to ATV's where the insured also insures one or more private passenger vehicles with Pembridge. This discount is applicable to Physical Damage rates only.

OTHER RATING RULES

List Price New

If the manufacturer's list price new is not available, multiply the purchase price by the applicable appreciation factor in the following table:

Purchase Year subtract the Model Year	Appreciation Factor
0 Years	100%
1 and 2 Years	125%
3 and 4 Years	145%
Over 4 Years	165%

ENDORSEMENTS

AB-SEF 9: Marine Use Excluded Endorsement - (Amphibious Vehicles)

Coverage Wording/Form

Excludes coverage on all-terrain vehicles while the vehicle is in or upon water or being launched or landed.

Must be added to all vehicles/policies

AB-SEF 19(B): Limitation of Amount Endorsement

Coverage Wording/Form

This endorsement is required where it is desired to limit coverage to a specific amount.

AB-SEF 32: Off-Highway Vehicle Endorsement

Coverage Wording/Form

Gives coverage for underage operators while the vehicle is used off a public road.

Must be added on all vehicles/policies carrying Liability coverage

AB-SEF 40: Fire and Theft Deductible

Coverage Wording/Form

Must be added on all vehicles/policies carrying Physical Damage

AB-SEF 44: Family Protection Endorsement

Coverage Wording/Form

CANCELLATIONS

Refer to Payment & Processing Rules section of the Private Passenger auto manual for short rate cancellation tables.

MOTORCYCLES

INELIGIBILITY

A. Pembridge Insurance Company's rules for declining to issue, terminating or refusing to renew a contract are:

Exclusionary conditions applicable to Motorcycles

- Home-made / Reconstructed or Modified / Kit vehicles of any type.
- Show/Antique/Classic Motorcycles.
- Motorcycles greater than 20 years of age. Motorcycles 15-20 years of age may be subject to an appraisal.
- Ineligible Motorcycle Classes - Pembridge will not accept those models that fall into the following categories: sport, super-sport, dual-sport (dual purpose), competition motocross, off road, racing.
- Vehicles valued in excess of $50,000 (Motorcycles valued greater than $40,000 must be referred to underwriting before binding)
- Accessories exceeding $10,000 (manufacturer or dealer parts).
- Failure to provide a certificate of mechanical fitness when required.
- Motorcycles with a car engine and /or steering wheel.
- Miscellaneous vehicles used for anything other than recreational purposes.
- Principal operator with 2 or more at fault claim in the last 6 years.
- Physical damage written on new applications without Third Party Liability (Bodily Injury and Property Damage) and Accident Benefits coverage.
- Engine performance features other than “Stock” (i.e. customization or modification)
- Outstanding earned premium due to Pembridge and affiliated companies.
- Operator of vehicle whose license is under suspension, cancelled, lapsed or does not have one.
- Non-disclosure of pertinent information and/or missing pertinent information (e.g. accident(s), claim(s), conviction(s), use, ownership, but not limited to).
- Material change in risk (e.g., ownership, use, operator(s) enhancements to vehicle, but not limited to).
- One time or limited time insurance for the sole purpose of travel (usually visitor to province or trip permit).
- Vehicles garaged outside the province for six months or more.
- Insurance fraud - when the insured/applicant or any person who is a regular or frequent driver of the vehicle has been found by a court of competent jurisdiction, in either criminal or civil proceedings, to have committed fraud in any way connected with automobile insurance.
- If previously cancelled within the past 36 months for non-disclosure or misrepresentation.
- Health or drink problem.
- Insured fails to comply with requirement to execute S.E.F 28 or S.E.F 28A (reduction of coverage as respects operation by named) subject to the terms of this endorsement.
- Refusal to provide required information on any operator on a policy including newly added operators or regular and infrequent operators identified through claim adjudication.
- Refusal to provide the correct driver’s license number for any operator on the policy.
- Refusal to provide any required information necessary for the proper classification/rating of a risk or withholding of information critical to the acceptability of the risk or material misrepresentation.
- Where the VIN matches that of a vehicle that has been identified as non-rebuildable and the insured fails to submit to an inspection and provide a certificate of mechanical fitness or where the inspection show the vehicle to be unsafe.
- Any insured who wilfully makes a false statement in respect to a claim under the policy.
- Where evidence exists of an excluded driver operating an insured vehicle.
- Any risk where there are more than 1 non pay cancellation in the last 3 years

- Any risk with one of the following criminal convictions or one substantially the same committed inside or outside of Canada within the last 10 years:
  - Racing
  - Criminal negligence committed in the operation of a motor vehicle
  - Manslaughter committed in the operation of a motor vehicle
  - Dangerous driving

B. Pembridge Insurance Company's rules for refusing to provide or continue a coverage are (The following rules apply once risk is accepted under Section A):

All Perils, Collision, Comprehensive or Specified Perils coverage will not be offered where:

- Vehicles with unrepaired damage.
- Three or more physical damage accidents/claims in the last 6 years
- Collision coverage purchased without Comprehensive or Specified Perils coverage.
- Failure to provide a professional appraisal when required for S.E.F. 19, or failure to sign an S.E.F. 19.
- Comprehensive/Specified Perils coverage will not be offered where there has been 2 or more Theft losses in the last 6 years.
- Harley Davidson's with 1 theft loss in the last 3 years and is not equipped with one of the following alarm systems:
  - Harley Davidson alarm system including siren.
  - Viper alarm system including siren (Models 200MAX & 220MAX)
  - Scorpio alarm system (Models OEM500i, SR-i500S & SR-i500SE)

GENERAL RULES

- Payment options available:
  - Monthly pay plan
  - Full pay plan (Cheque or Credit Card)
- Principal Operator:
  - Must be 30 years old and over
  - Must not have had any at fault accidents in the past 12 months.
  - Must not have been convicted of any serious or major convictions in the last 3 years.
  - Must not have been convicted of any criminal convictions or one substantially the same committed inside or outside of Canada within the last 10 years
- All operators must have held a valid Class 6. Newly licensed Class 6 operators with successful completion of Alberta Safety Council Motorcycle Training program, Driving record 3 will apply.
- Prior motorcycle insurance - See proof of prior definitions.
- Eligible Motorcycle Classes:
  - Standard
  - Cruisers
  - Touring
  - Sport Touring
  - Adventure Touring
  - Scooters
  - Moped
  - 3-Wheeled Motorcycle (2 front wheels, such as Can-Am Spyder or similar)
- Ineligible Motorcycle Classes - Pembridge will not accept those models that fall into the following categories: sport, super-sport, dual-sport (dual purpose), competition motocross, off road, racing. If in doubt on a particular model, contact underwriting prior to binding coverage.

- 1 year term only
- S.E.F. 40 Fire and Theft deductible must be added to all vehicles/policies which carry Collision/All Perils/Comprehensive/Specified Perils coverage.
- S.E.F. 19 Limitation of Amount Endorsement must be added to all motorcycles with accessories.
- Premiums shown below are for personal use only. Motorcycles or other similar types of vehicles used for commercial purposes are not acceptable.
- Physical Damage coverage will not be written on new applications without Third Party (Bodily Injury and Property Damage) and Accident Benefits coverage.
- Must carry the same Liability limit as the supporting private passenger vehicle.

All Motorcycles are subject to **a minimum of $500** Collision/All Perils/Comprehensive/Specified Perils deductible.

DEFINITIONS

Accessories

Are acceptable and should be included when calculating the premium in the quoting tool. Accessories must be dealer or manufacturer parts. A Bill of Sale must be provided in order to ensure the accessories and parts are from a dealer or manufacturer (not black market parts).

Clear Driving Record

Clear record calculation is based on:

- Experience with a valid Class 6 motorcycle license.
- No at fault collisions with the motorcycle, or any motorcycle for which it has been substituted, in the number of years Clear Driving Record.
- No more than 2 minor violations in the past 3 years involving the applicant or the principal operator or other licensed operators, the motorcycle, or any motorcycle for which it has been substituted.
- There has been no at fault and/or chargeable accident arising out of the use or operation of any other Motorcycle by the applicant or principal operator or other licensed operators in the Clear Driving Record period.

Note: The driving record established applies to all coverages for which driving record is a factor.

Requirements	
Risks not qualifying for 6, 5, 4, 3, 2, or 1	0
“Clear record” for the one year immediately prior to the effective date of the policy or any renewal thereof.	1
“Clear record” for the two years immediately prior to the effective date of the policy or any renewal thereof.	2
“Clear record” for the three years immediately prior to the effective date of the policy or any renewal thereof.	3
“Clear record” for the four years immediately prior to the effective date of the policy or any renewal thereof.	4
“Clear record” for the five years immediately prior to the effective date of the policy or any renewal thereof.	5
“Clear record” for the six years immediately prior to the effective date of the policy or any renewal thereof.	6

Motorcycle

Class Descriptions

A self-propelled vehicle having a seat or saddle for the use of the driver and designed to travel with not more than two wheels in contact with the ground.

Proof of Prior Insurance

If the applicant/principal operator does not have prior motorcycle insurance or cannot provide proof of prior insurance from their most recent motorcycle policy, or the lapse of insurance is greater than 12 months, then Driving Record will be based on the number of years licensed with a Class 6 to a maximum of Driving Record 3.

If the applicant/principal operator can provide proof of Motorcycle insurance in the past 12 months (name of insurer, policy number and expiry date) where the applicant/principal operator is a listed operator, or if newly licensed, Driving Record is to be calculated based on the number of years licensed and at fault accident free.

RATING RULES

SURCHARGES

Criteria	Surcharge %
Harley Davidson motorcycles (applies to Physical Damage coverage)	40%
Each At Fault loss in the last 3 years	30%
1 Minor Conviction	0%
2 Minor Convictions	15%

DISCOUNTS

Multi-Line Discount

A 15% discount is available to Motorcycles where the insured also has a principal property policy insured with Pembridge (homeowner, condominium or tenant packages).

Multi-Vehicle Discount

A 25% discount is available to Motorcycles where the insured also insures one or more private passenger vehicles with Pembridge.

Elite Rider Discount

Applicable to Motorcycles only (Mopeds excluded), this is a 20% discount for high performing Motorcycle riders. The discount applies to the following coverages: Collision, All Perils, Comprehensive or Specified Perils. Please advise Underwriting to apply the discount, the details are below:

Qualifications:

- Must qualify for the standard motorcycle product
- Must have a Private Passenger Auto or Homeowner (excluding Residential Fire & Seasonal) policy with Pembridge

- Bike must be 799 cc or greater
- PO must be 30 years of age or older
- Touring and cruising bikes only
- Class 6 license required for minimum of 4 years
- Proof of 2 years of continuous prior motorcycle insurance
- No AF claims in 5 years
- No major convictions in 5 years
- No criminal charges in 10 years
- No more than 2 minor convictions in 3 years
- No license suspensions in 5 years
- A loss history and MVR must be run if one has not been run in more than 12 months
- F.E.D. Program (Future Effective Date)

OTHER RATING RULES

Rate Groups

Motorcycle Rate Group Table
Motorcycles are rated using the VICC rate groups for Accident Benefits, All Perils, Collision, Comprehensive and Specified Perils. For Motorcycles that have accessories, the rate groups will increase by 2 for every $4,000 that exceeds the first $2,000

Note: The total amount of accessories including taxes are to be input in the “Dollar of modification” field in the quoting tool.

ENDORSEMENTS

AB-SEF 19(B): Limitation of Amount Endorsement

Coverage Wording/Form

AB-SEF 40: Fire and Theft Deductible

Coverage Wording/Form

Must be added on all vehicles/policies carrying physical damage.

AB-SEF 43R: Limited Waiver of Depreciation / AB-SEF 43R(L): Specified Lessee Limited Waiver of Depreciation

Coverage Wording/Form: AB-SEF 43R | AB-SEF 43R(L)

This endorsement removes the right to deduct depreciation from the value of a motorcycle when settling a total loss claim within 48 months of the date on which the motorcycle was first delivered to the Insured. This endorsement is available only on policies issued to the original owner/lessee of a new motorcycle and requested within 3 months of purchase/lease.

Motorcycle must be new or a demo with less than 1,000 kms

The charge for this endorsement shall be $50 annually if the purchased price of the motorcycle is $30,000 or less, and $75 if purchased for more than $30,000.

AB-SEF 44: Family Protection Endorsement

Coverage Wording/Form

CANCELLATIONS

Short Rate Cancellation Table (earned premium)

Month	%
January	0%
February	0%
March	5%
April	10%
May	10%
June	20%
July	20%
August	20%
September	10%
October	5%
November	0%
December	0%

- For each month of coverage, establish the earned premium according to the above table.
- For each part of the month, establish the pro rata of the percentage for the month in question.
- This table must be used for cancellations and additions during the term. For Comprehensive/Specified Perils, seasonal table does not apply.

MOTORHOMES AND TRAILERS

INELIGIBILITY

A. Pembridge Insurance Company's rules for declining to issue, terminating or refusing to renew a contract are:

Exclusionary conditions applicable to Motorhomes and Trailers

Motorhome:

- Risks that do not meet the Pembridge Private Passenger automobile eligibility.
- Annual policies only. No removal of coverage or canceling and re-issuing for lay-up periods. (we keep our rates reduced to reflect lay-up for all units)
- AB-SEF 16 and AB-SEF 17 are not available for Motorhomes as the 12 month premium reflects the seasonal use of the vehicle.
- Vehicles used for other than the owners personal recreational purposes.
- Vehicles rented or leased
- Vehicles other than factory built and equipped units
- Vehicles rented or leased to others
- Vehicles with no supporting Private Passenger policy.
- Units cannot exceed 40 feet in length.
- Units that exceed **$150,000** List Price New with a model year greater than 10 years old must be referred to underwriting. 2 photos and a vehicle inspection may be required.
- Units valued greater than **$200,000** will not be considered.

Trailers/Utility Trailers/Camper Units:

- Trailers, Utility Trailers and Camper Units used for other than pleasure or recreational use. Units towed by vehicles not classified as a private passenger vehicle.
- Insured must have a supporting Pembridge private passenger automobile policy.
- Units that exceed **$50,000** List Price New must be referred to underwriting. Units greater than 15 years old may require a physical inspection and 2 photographs (both exterior sides).
- Units valued greater than **$75,000** will not be considered.
- Must be factory built and equipped Trailer/Utility Trailers/Camper Units
- Homemade utility trailers may be referred to underwriting and 2 photographs are required.

GENERAL RULES

- The dollar amounts indicated for Thirty Party Liability apply whatever the Liability Limit; for a trailer, the Limit must be the same as that of the towing vehicle
- Payment Options
    - Full indicated premium (Cash, Cheque, Credit Card)
    - Monthly Payment Plan - Properly completed and signed form (PAC authorization)
    - Monthly Credit Card Payment Plan - Properly completed and signed authorization form

Note:

1. Same payment plan rules apply as for private passenger vehicles.
2. Any risk where there are more than one (1) non pay cancellations in the last 3 years payment must be Full Payment only

DEFINITIONS

Camper Unit (PP)

A specifically designed unit for living purposes, mounted on and removable from a vehicle.

Motorhome (MH)

A motorhome is a self-propelled vehicle in which living quarters are an integral part of the design and not removable and used for recreational purposes.

Classes:

A. A motorhome in which the cab of the vehicle and the living quarters are one unit.

B. A factory modified van (homemade/customized vans are not eligible)

C. A motorhome in which the cab and the living quarters are separate

Travel Trailer (HC)

A trailer that is permanently equipped with living quarters and used for travel and recreational purposes. These trailers are generally much larger than Utility Trailers and are of the home, cabin or fifth wheel variety. Also included would be Tent Trailers (A trailer with a collapsible cover, permanently equipped with living quarters and used for travel and recreational purposes). They may have 2 or 4 wheels. These types of trailers are equipped with living quarters and utility hook-ups.

Truck Cap (PP)

Truck caps will be rated as camper units.

Utility Trailer (TU)

Other trailers used for non-commercial transporting; such as box trailers, boat trailers, horse trailers and platform trailers used to transport snow vehicles and all-terrain vehicles.





Vacation or Holiday Trailer

A large trailer that is fully equipped with living quarters, including bathroom, bedroom, living room and kitchen. A connection to public utilities is generally required for the operation of fixtures and appliances. May have attached decking, awnings, and private structures when permanently parked in a Recreational Park. **Refer to the Vacation Trailer section under the Miscellaneous Property manual for coverage and rates.**

RATING RULES

Camper Unit & Truck Cap Rates

Add-on Rate Group Table

For camper unit and/or truck caps determine the add-on rate group based on the list price new of the unit/cap.

Add the add-on rate group to the vehicle rate group and indicate List Price New amount in the customization field, then add a memo.

For example:
2007 Dodge Ram 1500, Comprehensive = RG 15
Truck Cap (Value $2500), Comprehensive = RG 2
Rate Group Total = RG 17

Travel Trailers, Utility Trailers and Camper Units

For Liability (Cabin or Home Trailers, Tent Trailer, Other Trailer) - No Charge
For Accident Benefits (Cabin or Home Trailers, Tent Trailer, Other Trailer) - No Charge
For All Perils - To determine rate, add the Collision and Comprehensive premiums together
For Collision / Comprehensive or Specified Perils - Refer to Trailer Rate Tables below

Trailer Rate Tables

List Price New

The retail selling price new (including taxes) and equipment permanently attached thereto. If the list price new is not available, multiply the purchase price by the applicable appreciation factor in the table below and then determine the rate group using the Valuation Rating Table.

Purchase Year subtract the Model Year	Appreciation Factor
0 Years	100%
1 and 2 Years	125%
3 and 4 Years	145%
Over 4 Years	165%

ENDORSEMENTS

Refer to the Private Passenger auto endorsement section for explanations and rates.

AB-SEF 19(B): Limitation of Amount Endorsement

Coverage Wording/Form

This endorsement is required where it is desired to limit coverage to a specific amount.

AB-SEF 40: Fire and Theft Deductible

Coverage Wording/Form

This endorsement applies the deductible to All Perils, Comprehensive or Specified Perils for losses caused by fire or theft of the entire automobile. This deductible does not apply to loss by lightning. The policy change form must be signed by the insured.

Note: Mandatory on all Motorhome and Trailers where physical damage coverage is purchased.

AB-SEF 43R: Limited Waiver of Depreciation

Coverage Wording/Form

This endorsement removes the right to deduct depreciation from the value of an automobile when settling a total loss claim within 30 months of the date on which the automobile was first delivered to the Insured. This endorsement is available only on policies issued to individuals who are the original owner of a new private passenger, sports utility, station wagon type vehicle, motorhome or travel trailer.

Premium Calculation: $25 per vehicle annually.

AB-SEF 44: Family Protection Endorsement

Coverage Wording/Form

Note: For trailers, the AB-SEF 44 coverage is extended from the AB-SEF 44 endorsement on the tow vehicle.

Additional Coverage Included for Motorhome (MH) and Travel Trailers (HC)

When full coverage is purchased on the motorhome (TPL, CL, CM or AP) at no additional cost, Pembridge will provide coverage for Motorhome and Travel Trailer contents under the following basis:

- Specified Perils coverage as defined and limited under SEF 1, the automobile contract will be provided to contents not defined as part of the Motorhome or Travel Trailer and for which are owned by the named insured or a member of their household.
- The coverage is limited to a maximum amount payable of $2500 per occurrence, and will be settled on a Replacement Cost basis.
- The vehicle deductible applies to content claims.

- For this extension of coverage to be provided the trailer, in which the contents were used, must be the same as that specifically named under the policy.

CANCELLATIONS

Refer to Payment & Processing Rules section of the Private Passenger auto manual for short rate cancellation tables.

SNOWMOBILES

INELIGIBILITY

A. Pembridge Insurance Company's rules for declining to issue, terminating or refusing to renew a contract are:

Risks We Will Not Write or Renew

- Applicant or principal operator under the age of 25 and without a clear driving record for the preceding 6 years.
- Snow machines which fall into the following Class categories: Performance, Monoski and Junior
- Outstanding earned premium due Pembridge Insurance Company.
- Operator of vehicle whose license is under suspension, cancelled, lapsed or does not have one.
- Non-disclosure of pertinent information and/or missing pertinent information (e.g. accident(s), claim(s), conviction(s), use, ownership, but not limited to.)
- Material change in risk (e.g. ownership, use, operator(s) enhancements to vehicle, but not limited thereto).
- Physical Damage coverage only.
- Snowmobiles modified or customized for enhanced performance and/or appearance.
- One time or limited time insurance for sole purpose of travel (usually visitor to province).
- Vehicles located outside the province for six months or more.
- Insurance fraud - when the insured/applicant or any person who is a regular or frequent driver of the vehicle has been found by a court of competent jurisdiction, in either criminal or civil proceedings, to have committed a fraud in any way connected with automobile insurance.
- If previously cancelled by Pembridge/Pafco, within the past 12 months for non-disclosure.
- If licensed 9 years or more:
  - Two or more at fault accidents/claims in the last 6 years
  - Any Criminal Code or serious convictions, as listed in Private Passenger Rules and Procedures Section 15B(c) of our manual.
  - More than 2 minor convictions in the last 3 years
  - Any major conviction in the last 3 years
- If licensed less than 9 years:
  - One or more at fault accidents/claims in the last 6 years.
  - Any Criminal Code or serious convictions as listed in Private Passenger Rules and Procedures Section 15B(c) of our manual.
  - More than 2 minor convictions in the last 3 years
  - Any major conviction in the last 3 years

B. Pembridge Insurance Company's rules for refusing to provide or continue a coverage are (The following rules apply once risk is accepted under Section A):

<u>All Perils, Collision, Comprehensive or Specified Perils coverage will not be offered where:</u>

- Vehicles with unrepaired damage.
- Collision coverage will not be provided unless either Comprehensive or Specified Perils coverage is also purchased

DEFINITIONS

Clear Driving Record

Clear Driving Record is defined as:

- no more than 3 Minor convictions in the past 3 years,
- no Major convictions in the past 3 years,
- no Serious convictions in the past 5 years,
- no at fault losses

Snowmobile

A self-propelled vehicle designed to be driven exclusively on snow or ice, but excluding a vehicle with a gross vehicle weight in excess of 1000 kg

Pembridge will accept the following classes of Snowmobile:

- Touring
- Deep Snow/Mountain
- Trail/Sport
- Hybrid/Crossover

RATING RULES

DISCOUNTS

HLTV Discount

Our New Business Target HLTV customers will also qualify for an additional 10% discount off of Physical Damage premiums

Multi-Line Discount

A 10% discount is available to Snowmobiles where the insured also has a principal property policy insured with Pembridge (homeowner, condominium or tenant packages). The discount will be applied to Physical Damage rates only.

Multi-Vehicle Discount

A 10% discount is available to Snowmobiles where the insured also insures one or more private passenger vehicles with Pembridge. The discount is applicable to Physical Damage rates only.

ENDORSEMENTS

AB-SEF 32: Off-Highway Vehicle Endorsement

Coverage Wording/Form

AB-SEF 40: Fire and Theft Deductible

Coverage Wording/Form

AB-SEF 44: Family Protection Endorsement

Coverage Wording/Form

CANCELLATIONS

Short Rate Cancellation Table (earned premium)

Month	%
January	25%
February	25%
March	15%
April	0%
May	0%
June	0%
July	0%
August	0%
September	0%
October	0%
November	10%
December	25%

- For each month of coverage, establish the earned premium according to the above table.
- For each part of the month, establish the pro rata of the percentage for the month in question.
- This table must be used for cancellations and additions during the term.

For Comprehensive/Specified Perils, seasonal table does not apply. Use regular automobile short rate table

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Quick Quote Tools

ATV

Motorcycle

Motorhomes

Snowmobiles

List Price New & Rate Group Lookup

ATV

Motorcycles

Snowmobiles