# Economical Alberta Auto Product Manual

Underwritten by Definity Insurance Company

**New Business Effective: May 14, 2026, Renewals Effective: N/A**



## Binding Authority

Coverage must not be bound more than 90 days prior to the effective date of the policy on new business, and all new applications and policy changes must be submitted and issued in our system within 5 days of binding. Backdating of coverage is not permitted.

We reserve the right to re-rate a policy within 60 days from the effective date when a third party report is received indicating non-disclosed or inaccurately disclosed information on the application for insurance.

If Private Passenger and Commercial Vehicles are on the same policy and an underwriting rule for declining to issue, terminating or refusing to renew a contract filed in either our Personal or Commercial Insurance rate manuals that does not apply to both is met, the policy will be renewed with varied terms notice removing the ineligible Private Passenger or Commercial Vehicle.

# Underwriting Rules

## Underwriting rules for declining to issue, terminating or refusing to renew a contract:

### Private Passenger Automobile Underwriting Rules:

| Rule # | |
|---|---|
| 1 | Risks where the insured or applicant is liable for unpaid premium to any insurer, until the arrears are paid to that insurer (We will not deny or cancel an auto policy on the grounds of premium arrears if those arrears are more than 2 years old). |
| 2 | The insured or applicant fails to complete the approved application form. |
| 3 | The insured or applicant provides false information on the approved application form. |
| 4 | The insured or applicant makes any misrepresentation in the information provided for the purposes of obtaining, updating, or renewing an automobile insurance policy, including on the application form. |
| 5 | The insured or applicant fails to submit any required information required on the approved application form. |
| 6 | The insured or applicant has a history of fraudulent activity in relation to an automobile insurance policy and the most recent instance of such an activity occurred less than 7 years before the day of the request to obtain, update or renew an automobile insurance policy. |
| 7 | The insurer reasonably believes that the insured or the applicant will use the automobile insurance policy or the automobile for fraudulent purposes. |
| 8 | The failure of the insured or the applicant for a contract 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. |
| 9 | On New Business, the applicant does not hold a valid operator's license to operate a private passenger vehicle in Canada. On renewal, where the applicant does not hold a valid operator's license (administrative suspension excluded) to operate a private passenger vehicle in Canada and the insured or the applicant fails to inform us as to who is the principal driver of the automobile. |
| 10 | Risks where the vehicle is not a private passenger vehicle as defined in Schedule 1 of the Automobile Insurance Premiums Regulation (AR 124/2014). |
| 11 | On Renewal, vehicles without mandatory coverages that also do not qualify for optional physical damage coverages. |
| 12 | The insured or applicant refuses to provide, within the time provided by the insurer, a completed approved vehicle inspection report for a private passenger vehicle that is at least 12 model years old. |
| 13 | The insured or applicant, after having the vehicle inspection report completed, refuses, within 30 days of the report being completed, to repair a component of the vehicle that has been identified in the inspection report as being unsafe. |
| 14 | The insured or the applicant, with respect to a private passenger vehicle that is a salvage motor vehicle, refuses to provide, within the time provided by the insurer, a subsisting salvage motor vehicle inspection certificate. |

# Physical Damage Rules

### Underwriting rules for declining to issue, terminating or refusing to renew a contract with physical damage coverage(s) are:

| Rule # | Drivers |
|---|---|
| 1 | 3 or more minor convictions in the last 3 years. |
| 2 | 2 or more major convictions in the last 3 years. |
| 3 | 1 or more serious or criminal code convictions in the last 3 years. |
| 4 | 2 or more non-payment cancellations in the last 3 years. |
| 5 | 1 or more auto insurance fraud convictions or cancellations in the last 10 years. |
| 6 | 1 or more material misrepresentation or non-disclosure cancellations in the last 3 years. |
| 7 | Collision or All perils coverage will be declined if in the last 6 years there have been 2 or more chargeable accidents |
| **Rule #** | **Drivers – Combinations** |
| 1 | 1 or more minor convictions in the last 3 years and 1 or more non-payment cancellations in the last 3 years. |
| 2 | 1 or more major convictions in the last 3 years and 1 or more non-payment cancellations in the last 3 years. |
| 3 | Collision or All perils coverage will be declined if in the last 6 years there have been 1 or more chargeable accidents and 2 or more minor convictions in the last 3 years. |
| 4 | Collision or All perils coverage will be declined if in the last 6 years there have been 1 or more chargeable accidents and 1 or more non-payment cancellations in the last 3 years. |
| **Rule #** | **Vehicles** |
| 1 | Vehicles identified as a constructive total loss as defined by any government's Ministry of Transportation. This includes vehicles branded as salvaged or irreparable. |
| 2 | Vehicles with prior unrepaired damage that may affect the safe operation of the vehicle. |
| 3 | Vehicles without a manufacturer’s assigned Vehicle Identification Number (VIN). |
| 4 | The Principal Operator is less than 35 years of age with vehicles identified as being capable of producing greater than 400 horsepower.<br><br>The Principal Operator is 35 years of age or older with vehicles identified as being capable of producing greater than 580 horsepower. |
| 5 | Vehicles with unacceptable customization including any frame alterations, any changes to engine performance or configuration (including power increasing exhausts), any changes to the transmission performance or configuration, or any nitrous oxide. |
| 6 | The Principal Operator is less than 35 years of age with vehicles that have a Manufacturer's Suggested Retail Price (MSRP) greater than $100,000.<br><br>The Principal Operator is 35 years of age or older with vehicles that have a Manufacturer's Suggested Retail Price (MSRP) greater than $150,000. |

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|---|---|
| 7 | **New Business:** Private Passenger Automobiles without Liability and Accident Benefit coverage insured with Definity Insurance Company.<br>**Renewals:** The policy does not have a Private Passenger Automobile that has Liability and Accident Benefit coverage insured with Definity Insurance Company. In no event will coverage reduction to Specified Perils be permitted. |
| 8 | The AB-SEF 13H will be added to a vehicle with Comprehensive, Specified Perils or All Perils coverage if in the last 3 years there have been 2 or more comprehensive hail claims assigned to a vehicle. |
| 9 | Collision or All Perils coverage will be declined if in the last 3 years there have been either 3 non-chargeable collision claims or a combination of 3 collision claims including at least 1 chargeable and 1 non-chargeable collision claim assigned to a vehicle. |
| 10 | Comprehensive, Specified Perils or All Perils coverage will be declined if in the last 3 years there have been 2 or more comprehensive claims assigned to a vehicle. Glass or Hail claims will not be considered when declining coverage. |
| 11 | The AB-SEF 13D will be added to a vehicle with Comprehensive or All Perils coverage if in the last 3 years there have been 2 or more comprehensive glass claims assigned to a vehicle. |
| 12 | Vehicles not written in conjunction with a Commercial Type of Use automobile on the same policy will be subject to a maximum $2,000,000 limit for Third Party Liability coverage. |

# Rating Rules & Definitions

## Service Charge

There is no service charge applied to policies under a group or affinity program.

A 3% service charge applies to all policies under Monthly Payment Plans.  The full service charge is spread over all installments within the policy term.

## Waived Premium

Definity Insurance Company reserves the right to waive up to $5 in premium of an outstanding balance.

## Accidents

| Accident Type | Definition | Rating Rules & Eligibility |
|---|---|---|
| Non-Chargeable Accident | An occurrence shall not be regarded as a Chargeable Accident if:<br><br>• The applicant, insured or operator is deemed to be 0% at-fault under relevant Automobile Insurance Fault Determination rules or regulations; or<br>• Damage occurred to the vehicle while it was parked or was caused by a hit-and-run driver; or<br>• It was caused by an identified but uninsured automobile; or<br>• The damage results from a collision with a living animal.<br><br>An occurrence that results in the payment of claim expenses only, payments under Accident Benefits only, medical first aid expenses only, or any combination thereof will not be regarded as an accident. | Non-chargeable accidents (excluding comprehensive claims) will be assigned to the driver operating the vehicle at the time of the accident.<br><br>Comprehensive claims are assigned to the vehicle involved in the claim. When the vehicle is removed from the policy the claim will also be removed.<br><br>Non-chargeable accidents occurring on an Off-Road Vehicle or Motorized Snow Vehicle will not be assigned to a Private Passenger Automobile, Motorcycle or Motorhome.<br><br>Non-chargeable accidents occurring on a Motorcycle will not be assigned to a Private Passenger Automobile, Motorhome, Off-Road Vehicle or Motorized Snow Vehicle.<br><br>Non-chargeable accidents occurring on a Private Passenger Automobile or Motorhome will not be assigned to an Off-Road Vehicle, Motorized Snow Vehicle or Motorcycle.<br><br>Non-chargeable accidents occurring on a vehicle with Commercial type of use will not be assigned to a Private Passenger Automobile, Motorcycle or Motorhome. |
| Chargeable Accident | A Chargeable Accident is an occurrence for which the driver has been determined to have a degree of fault, based on relevant Automobile Insurance Fault Determination rules or regulations, resulting in bodily injury | Chargeable accidents are assigned to the driver responsible for the accident.<br><br>The total number of chargeable accidents assigned to the principal, secondary and inexperienced |

| | | |
|---|---|---|
| | or damage to property of others, or collision damage arising from the ownership, use or operation of an automobile, in consequence of which:<br>• An amount has been paid in respect of:<br>  • bodily injury or damage to property of others; or<br>  • collision damage; or<br>• a loss remains unsettled or unpaid; or<br>• a civil suit is pending against the applicant. | secondary operator will affect a vehicle's eligibility for physical damage coverage.<br><br>The chargeable accidents of the assigned principal operator will affect a driver's rating. Chargeable accidents caused by an inexperienced secondary operator will be rated under their own ISO charge on the vehicle.<br><br>Chargeable accidents occurring on an Off-Road Vehicle or Motorized Snow Vehicle will not be assigned to a Private Passenger Automobile, Motorcycle or Motorhome.<br><br>Chargeable accidents occurring on a Motorcycle will not be assigned to a Private Passenger Automobile, Motorhome, Off-Road Vehicle or Motorized Snow Vehicle.<br><br>Chargeable accidents occurring on a Private Passenger Automobile or Motorhome will not be assigned to an Off-Road Vehicle, Motorized Snow Vehicle or Motorcycle.<br><br>Chargeable accidents occurring on a vehicle with Commercial type of use will not be assigned to a Private Passenger Automobile, Motorcycle or Motorhome. |

## Convictions

| Conviction Types | Definition | Rating Rules & Eligibility |
|---|---|---|
| Minor, Major or Serious | Offences under any Act governing highway traffic, the Criminal Code of Canada related to the operation of a motor vehicle, or Alberta Highway Traffic Act. Non-moving violations are not used for rating. | Convictions are assigned to the driver responsible for the conviction. The principal, secondary or inexperienced secondary operator with the most convictions per severity (minor, major or serious) will affect a vehicle's eligibility for physical damage coverage.<br><br>The convictions of the assigned principal operator will affect a vehicle's rating. Convictions of an inexperienced secondary operator will be rated under their own class 05 or 06 charge on the vehicle. |

## Other Events

<table>
<tr><th>Event Type</th><th>Definition</th><th>Rating Rules & Eligibility</th></tr>
<tr><td>Insurance Fraud</td><td>An Insurance fraud, or public mischief occurs when the insured 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 or public mischief in any way connected with automobile insurance.</td><td rowspan="4">Non-payment Cancellations, Material Misrepresentation, Non-disclosure and Insurance Fraud are assigned to the driver that was the named insured on the policy on which they occurred.<br><br>The total number of non-payment cancellations assigned to the principal, secondary and inexperienced secondary operator will affect a vehicle's eligibility for physical damage coverage.<br><br>The total number of non-payment cancellations assigned to the principal and secondary operator will affect a vehicle's rating. Non-payment cancellations of an inexperienced secondary operator will be rated under their own class 05 or 06 charge on the vehicle.</td></tr>
<tr><td>Material Misrepresentation</td><td rowspan="2">A Material Misrepresentation or Non-Disclosure is where, pursuant to S. 554 (1) of the Alberta Insurance Act, an applicant for a contract or the insured:<br><br>• gives false particulars of the described automobile to be insured to the prejudice of the insurer;<br>• knowingly misrepresents or fails to disclose in the application any fact required to be stated therein;<br>• contravenes a term of the contract or commits a fraud;<br>• willfully makes a false statement in respect of a claim under the contract; or<br>• non-disclosure of a material fact.</td></tr>
<tr><td>Non-Disclosure</td></tr>
<tr><td>Non-Payment Cancellation</td><td>A non-payment cancellation occurs when the named insured, within the preceding 36 months, has had a contract of automobile insurance cancelled for non-payment of premium.</td></tr>
</table>

### Private Passenger Automobiles Definition:

1. A motor vehicle of the private passenger, sport utility or mini-van/compact van type used for pleasure or business purposes.

2. A motor vehicle of the commercial type, such as a pick-up type or van, with a manufacturer’s curb weight not in excess of 4,500 kgs used for pleasure, commute or business purposes.

3. Excludes any vehicle used for renting, delivery or the carrying of passengers for compensation; police emergency use or commercial delivery; used for demonstration or testing, or held for sale by an automobile dealer.

For Definity Insurance Company, this exclusion does not apply to the following exposure:

- If the vehicle(s) is used in an acceptable* ridesharing or good delivery program where the vehicle is insured under a SPF #9 Transportation Network that is primary from the time the driver has logged on to transportation network application platform and until passengers leave the vehicle or good delivery is completed will be processed as private passenger vehicles.

- If the vehicle(s) is used in an acceptable* vehicle sharing program where the vehicle is insured under a commercial fleet policy that is primary during the ‘Delivery Period’ and ‘Rental Period’, will be processed as private passenger vehicles.

*Acceptable ridesharing, goods delivery, and vehicle sharing programs:
- peer-to-peer ridesharing or goods delivery program on the Uber platform
- peer-to-peer vehicle sharing program on the Turo platform to a maximum 4 personal vehicles

Acceptability is determined based on the corresponding commercial fleet coverage in place.

## Drivers

### Definition of "Driver"

A driver is a person licensed to operate a motor vehicle on a highway. A person not licensed to operate the type of vehicle insured (including drivers with a suspended license) will not be considered a driver.

All drivers with a valid motorcycle license must be assigned as a principal operator or secondary operator to a motorcycle on the policy. For Motorhomes, Off-Road Vehicles, and Motorized Snow Vehicles the principal operator is the person who drives the vehicle the most and any other regular operators of the vehicle must be assigned as secondary operators.

| Operator Type | Rating Rules & Eligibility |
|---|---|
| Principal Operator | The person who drives the vehicle the most. If there are more drivers than vehicles, or the number of drivers is equal to the number of vehicles, each vehicle must have a different principal operator. If there are fewer drivers than vehicles, each driver must be a principal operator of at least one vehicle. |
| Inexperienced Secondary Operator | Any reference to "ISO" in the manual is interpreted to mean "Inexperienced Secondary Operator".<br><br>An ISO is a driver, not rated as a principal operator with Definity Insurance Company, under age 25. Class 05 is a female ISO under age 25 and a class 06 is a male ISO under age 25. The ISO will be charged for separately from the vehicle and principal operator, unless they are married to the principal operator.<br><br>If there are more vehicles than ISO drivers, each ISO driver must be assigned to at least one vehicle. If there are more ISO drivers than vehicles, each vehicle must have a different ISO assigned with the remaining ISO drivers assigned as secondary operators. |

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|---|---|
| Secondary Operator | A secondary operator is any listed on the policy not rated as a principal operator or ISO on a private passenger automobile on a policy with Definity Insurance Company. Each secondary operator must be assigned to one vehicle.<br><br>Any driver rated on another insurance company's policy and listed on our policy must be assigned as a secondary operator to a vehicle and will not be used in rating on the policy with Definity Insurance Company. However, the driver rated on another insurance company's policy will affect the eligibility of physical damage of the vehicle(s) on the policy.<br><br>Any learners permit driver listed on the policy and not listed as a principal operator of a vehicle with Definity Insurance Company will be assigned as a secondary operator to a private passenger automobile and not be used in rating on the policy with Definity Insurance Company. However, the learners permit driver will affect the eligibility of physical damage coverage of the vehicle(s) on the policy. |

## Age

Age means the full number of years attained at the time the insurance becomes effective. Midterm changes to age are not allowed.

## Driver Training

Driver Training means any driver training program for the type of vehicle insured which has had the approval of the Provincial Department of Education, any other governmental department having jurisdiction, or any provincial safety league, providing:

- It was conducted by a certified instructor in the province that has jurisdiction;
- A certificate, signed by a responsible official, is able to be presented to Definity Insurance Company indicating that the holder has successfully completed such a course when requested.

## Years Licensed

Years licensed is calculated based on the first date licensed (not including a learner's permit) in Canada less the total number of months the driver has had non-administrative suspension(s). Years licensed for drivers relocating from outside Canada will be the years licensed credited by any governmental department having jurisdiction based on the provincial license exchange agreement with the driver's previous country of residence.

For motorcycles, years licensed is calculated based on the first date motorcycle licensed in Canada less the total number of months the driver has had non-administrative suspension(s). Drivers relocating from outside Canada will not be credited any additional years motorcycle licensed.

## Years of Experience

Years of experience is the number of full years in Canada that the operator has held a valid operator’s license for the type of vehicle concerned during which time the operator has had automobile insurance that can be verified either by a prior carrier report or by other evidence deemed satisfactory by an Insurer.

### Years of Motorcycle Experience

Years of motorcycle experience is the number of full years in Canada that the operator has held a valid operator's license for a motorcycle during which time the operator has had motorcycle insurance that can be verified either by a prior carrier report or by other evidence deemed satisfactory by an Insurer.

## Driving Record

| Driving Record | Eligibility |
|---|---|
| Driving Record 9 | Driver with a full license that has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 9 or more years of experience,<br>• no chargeable accidents in the last 9 years,<br>• less than 2 minor convictions in the last 3 years,<br>• no major or serious convictions in the last 3 years,<br>• no non-payment cancellations in the last 3 years. |
| Driving Record 8 | Driver with a full license that has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 8 or more years of experience,<br>• no chargeable accidents in the last 8 years,<br>• less than 3 minor convictions in the last 3 years,<br>• no major or serious convictions in the last 3 years,<br>• no non-payment cancellations in the last 3 years. |
| Driving Record 6 | Driver with a full license that has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 6 or more years of experience,<br>• no chargeable accidents in the last 6 years,<br>• less than 4 minor convictions in the last 3 years,<br>• no major or serious convictions in the last 3 years,<br>• no non-payment cancellations in the last 3 years,<br>• no lapse of insurance in the last 6 years. |
| Driving Record 5 | Driver with a full license that has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 5 or more years of experience,<br>• no chargeable accidents in the last 5 years,<br>• no lapse of insurance in the last 5 years. |
| Driving Record 4 | Driver with a full license that has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 4 or more years of experience,<br>• no chargeable accidents in the last 4 years,<br>• no lapse of insurance in the last 4 years. |

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|---|---|
| Driving Record 3 | Driver with a full license who has completed driver training and has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 3 or less years of experience,<br>• no chargeable accidents in the last 3 years,<br>• no non-admin license suspensions in the last 3 years,<br>• no lapse of insurance in the last 3 years.<br><br>Driver with a full license who has not completed driver training and has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 3 or more years of experience,<br>• no chargeable accidents in the last 3 years,<br>• no non-admin license suspensions in the last 3 years,<br>• no lapse of insurance in the last 3 years.<br><br>Driver with a probationary license has:<br><br>• completed driver training,<br>• no chargeable accidents in the last 3 years,<br>• no non-admin license suspensions in the last 3 years,<br>• no lapse of insurance in the last 3 years. |
| Driving Record 2 | Driver with a full license that has been continuously listed on an automobile insurance policy in Canada has:<br><br>• 2 or more years of experience,<br>• no chargeable accidents in the last 2 years,<br>• no non-admin license suspensions in the last 2 years,<br>• no lapse of insurance in the last 2 years.<br><br>Driver with a probationary license has:<br><br>• not completed driver training,<br>• no chargeable accidents in the last 3 years,<br>• no non-admin license suspensions in the last 2 years,<br>• no lapse of insurance in the last 2 years. |
| Driving Record 1 | Driver with a full or probationary license has:<br><br>• 1 or more years of experience or 1 or more years licensed,<br>• no chargeable accidents in the last 1 year,<br>• no non-admin license suspensions in the last 1 year,<br>• no lapse of insurance in the last 1 year. |
| Driving Record 0 | Driver with a full or probationary licensed that does not qualify any other driving records, or a driver with a learners license.<br><br>• chargeable accidents within 1 year,<br>• non-administrative license suspension within 1 year,<br>• lapse of insurance within 1 year. |

## Driving Record Progression

The driving record will increase a maximum of 1 for each year in accordance with our driving record eligibility. The following exceptions apply to this rule:

- When a conviction or non-payment cancellation is over 3 years old as of the renewal effective date at which time the progression will increase to the eligible driving record.

Driving record progression will not occur mid-term.

### Driving Record Protector

The driver's first chargeable accident in the last 6 years will not affect eligibility or rating on renewal if they are eligible for driving records 6, 8 or 9. Upon the occurrence of a second chargeable accident in the last 6 years, Driving Record Protector will be removed and all chargeable accidents will count for rating and physical damage coverage eligibility.

### Eligibility Criteria

Motorcycles, Off-Road Vehicles and Motorized Snow Vehicles are not eligible for driving records 6, 8 or 9.

### Lapse of Insurance

A lapse of insurance occurs when in the last 6 years, a driver has not been continuously insured for 24 months or more on an automobile insurance policy in Canada. The driving record will revert to 0 when the lapse has ended, regardless of completion of driver’s training, and the driving record assigned will follow the rules outlined in Driving Record Progression. A lapse of insurance less than 24 months will not be taken into consideration when calculating driving record assignment.

The most recent lapse of insurance assigned to the principal and/or secondary operator will affect a vehicle's rating. Lapses of insurance of an inexperienced secondary operator will be rated under their own class 05 or 06 charge on the vehicle.

### Non-Administrative License Suspensions

When a driver’s license has been suspended for a non-administrative type for 12 months or more due to convictions or an accumulation of demerit points within the last 3 years, the driving record will revert to 0 when the license is reinstated, and the driving record assigned will follow the rules outlined in Driving Record Progression.

The most recent non-admin suspension assigned to the principal and/or secondary operator will affect a vehicle's rating. Non-admin suspensions of an inexperienced secondary operator will be rated under their own class 05 or 06 charge on the vehicle.

## Named Insured

### Definition of "Named Insured"

The named insured must be the registered owner or lessee of the automobile. The spouse of the registered owner or lessee and their dependent children under 25 years of age who reside at the same address may also be added as a named insured.

# Vehicles

## Dual Territory

Where an automobile is operated in more than one territory, the rating territory where the automobile is garaged will be used.

## Type of Use

| Type of Use | Description |
|---|---|
| Business | The following are acceptable business uses in connection with the operator’s occupation, profession or business, other than driving to and from his or her place of occupation, profession or business:<br><br>• Vehicles where the business use is primarily to visit clients or prospective clients;<br>• Vehicles used to carry clients or prospective customers in connection with the driver’s profession (e.g. real estate broker, salesman, social worker, etc.);<br>• Vehicles carrying passengers for mileage reimbursement as part of regular employment duties;<br>• Vehicles used in a peer-to-peer ridesharing or goods delivery program acceptable* to Definity Insurance Company where the vehicle is insured under SPF#9 Transportation Network policy that is primary from the time the driver has logged into the app and while carrying paying passengers or while carrying goods.<br>• Vehicles used in a peer-to-peer vehicle sharing program through an online marketplace that is acceptable* to Definity Insurance Company, where the vehicle is insured under a commercial fleet policy that is primary during the delivery and rental periods.<br><br>This does not include vehicles used to transport children while being compensated by a School Board, or vehicles used to transport individuals for compensation (i.e. Taxi, vehicle sharing, etc.) except as described above. Both are considered Commercial use.<br><br>*Acceptable ridesharing, goods delivery, and vehicle sharing programs:<br>• peer-to-peer ridesharing or goods delivery program on the Uber platform<br>• peer-to-peer vehicle sharing program on the Turo platform to a maximum 4 personal vehicles<br><br>Acceptability is determined based on the corresponding commercial fleet coverage in place. |
| Commercial | Any vehicle not used for Pleasure, Business or Farm as defined, including but not limited to:<br><br>• Vehicles listed on a fleet or garage policy;<br>• Vehicles used for transporting merchandise or goods, retail or wholesale delivery, rural mail delivery, newspaper delivery, couriers or food delivery;<br>• Used as driver training vehicles, funeral vehicles, courtesy cars, rental vehicles, vehicles held for sale or used for demonstrating or testing;<br>• Public vehicles including ambulance, taxi or limousine;<br>• Vehicles designed specifically for construction or maintenance purposes;<br>• Any use listed in the commercial manual. |
| Farm | The vehicle is used mainly on a farm. Vehicles that do not have a valid Insurance Bureau of Canada's car code as found on the IBC Vehicle Information tables will be considered a commercial use vehicle. |

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|---|---|
| Pleasure | A pleasure use vehicle is not used for business, commercial or farm as defined. The vehicle can be used to drive to and from work. The distance of the commute is the one-way distance to drive to the place of work. This includes vehicles used for carpooling.<br><br>Volunteer driving should not be considered as a situation involving paying passengers. Therefore, no additional coverage is required (that is the AB-SEF 6A is not required) and no additional premium should be charged to volunteer drivers. However, if the volunteer organization requires the addition of the AB-SEF 6A endorsement then we will add the endorsement as requested and apply the premium.<br><br>Also, AB-SEF 6A is not required if the vehicle is used to carry non-paying passengers for compensation as part of regular employment duties. |

## Vehicle Value

Manufacturer's Suggested Retail Price (MSRP) includes the Goods and Services Tax (GST).

## Vehicles with Customizations

If a vehicle has acceptable customizations the value of the customizations must be provided and be added to the manufacturer's suggested retail price for rating.

Unacceptable customizations include any frame alterations (not including those to make a vehicle wheelchair accessible), any changes to engine performance or configuration (including power increasing exhausts), any changes to the transmission performance or configuration, or any nitrous oxide.

## Vehicles with Undefined Rate Groups

When the rate group for a vehicle is denoted as “A” in the Rate Group Tables, or the vehicle does not exist in the Rate Group Tables, we will rate a vehicle based on the rate groups in the table below and the Manufacturer's Suggested Retail Price (MSRP).

| MSRP From | MSRP To | COLL | COMP/SP |
|---|---|---|---|
| $1 | $2,750 | 2 | 2 |
| $2,751 | $3,100 | 3 | 3 |
| $3,101 | $3,500 | 4 | 4 |
| $3,501 | $5,000 | 5 | 5 |
| $5,001 | $7,000 | 6 | 6 |
| $7,001 | $9,000 | 7 | 8 |
| $9,001 | $12,500 | 9 | 10 |
| $12,501 | $16,000 | 10 | 12 |
| $16,001 | $20,000 | 12 | 14 |
| $20,001 | $24,000 | 15 | 17 |
| $24,001 | $29,000 | 17 | 21 |

| | | | |
|---|---|---|---|
| $29,001 | $34,000 | 19 | 23 |
| $34,001 | $39,000 | 21 | 25 |
| $39,001 | $44,000 | 23 | 27 |
| $44,001 | $50,000 | 25 | 29 |
| $50,001 | $55,000 | 27 | 31 |
| $55,001 | $60,000 | 29 | 32 |
| $60,001 | $65,000 | 30 | 34 |
| $65,001 | $70,000 | 32 | 36 |
| $70,001 | $75,000 | 33 | 37 |
| $75,001 | $80,000 | 34 | 39 |
| $80,001 | $85,000 | 36 | 41 |
| $85,001 | $90,000 | 37 | 43 |
| $90,001 | $95,000 | 38 | 44 |
| $95,001 | $100,000 | 40 | 46 |
| $100,001 | $105,000 | 41 | 48 |
| $105,001 | $110,000 | 42 | 50 |
| $110,001 | $115,000 | 44 | 51 |
| $115,001 | $120,000 | 45 | 53 |
| $120,001 | $125,000 | 46 | 55 |
| $125,001 | $130,000 | 48 | 56 |
| $130,001 | $135,000 | 49 | 58 |
| $135,001 | $140,000 | 50 | 60 |
| $140,001 | $145,000 | 51 | 62 |
| $145,001 | $150,000 | 53 | 63 |
| $150,001 | $155,000 | 54 | 65 |
| $155,001 | $160,000 | 55 | 67 |
| $160,001 | $165,000 | 57 | 69 |
| $165,001 | $170,000 | 58 | 70 |
| $170,001 | $175,000 | 59 | 72 |
| $175,001 | $180,000 | 61 | 74 |
| $180,001 | $185,000 | 62 | 76 |
| $185,001 | $190,000 | 63 | 77 |
| $190,001 | or more | +2 each $10,000 | +2 each $10,000 |

# Cancellations

## Pro Rata Cancellation Method

To be used where a policy or any part of a policy is cancelled by the insurer.

The Prorated Percentage is the number of days the policy has been in force, divided by the total number of days between the effective date and expiry date of the policy.

## Short Rate Cancellation Method

To be used where a policy is cancelled at the insured's or finance company's request and not replaced with a new Definity Insurance Company automobile policy within 30 days of the date of the cancellation.

### Private Passenger Automobiles, Motorhomes, Off-Road Vehicles & Trailers and Camper Units

The Short Rate Penalty is based on the days the policy has been in force:

| Days policy in force | % of premium retained |
|---|---|
| 1-87 | % of premium earned + 6% Penalty |
| 88-164 | % of premium earned + 5% Penalty |
| 165-237 | % of premium earned + 4% Penalty |
| 238-270 | % of premium earned + 3% Penalty |
| 271-366 | % of premium earned + 2% Penalty |

### Motorcycles & Motorized Snow Vehicles

The Short Rate Penalty is based on the actual months the policy is in force. The earned premium for any part month the policy is in force is calculated by pro rating the percentage below from the month involved:

| Month | Motorcycles % of premium retained | Motorized Snow Vehicles % of premium retained |
|---|---|---|
| January | 1% | 25% |
| February | 2% | 25% |
| March | 5% | 10% |
| April | 5% | 2% |
| May | 10% | 1% |
| June | 20% | 1% |
| July | 20% | 1% |
| August | 20% | 1% |
| September | 10% | 1% |
| October | 4% | 1% |
| November | 2% | 7% |
| December | 1% | 25% |

# Discounts

| Name | Eligibility | Eligible Vehicle Types |
|---|---|---|
| Anti-Theft | The vehicle is equipped with a non-factory installed immobilization device and/or audible alarm. | Private Passenger Automobiles, Motorhomes or Motorcycles |
| Away at School | Inexperienced secondary operators will qualify for this discount while living away from the home at a post-secondary school. | Private Passenger Automobiles |
| Conviction Free | All principal operators who are 3 or more years licensed and have no minor, major or serious convictions assigned to the vehicle in the last 3 years.<br><br>Inexperienced secondary operators who are conviction free and continuously licensed for the past 3 years will be eligible for the discount based on their own conviction record.<br><br>The conviction record of secondary operators or inexperienced secondary operators will not prevent the principal operator from receiving this discount. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, or Motorized Snow Vehicles |
| Group | The discount applies where the Named Insured qualifies as a member of an Definity Insurance Company group/affinity program.<br><br>The discount will be dependent on the percentage assigned to each individual group/affinity and will be applied to the group/affinity eligible vehicle(s) on the policy. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, Motorized Snow Vehicles, or Trailer and Camper Units |
| Multi-Policy | This thirty (30) day grace period will be extended up to six (6) months for a portfolio transfer. The property policy must be in the name of the insured and/or their spouse. A portfolio transfer is defined as a contractual agreement between Definity Insurance Company and a broker, in which terms of the agreement are listed including but not limited to renewal underwriting rules and discounts will apply to all qualifying policyholders forming part of the agreed upon portfolio transfer. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, or Motorized Snow Vehicles |
| Multi-Vehicle | The discount will apply to a Private Passenger Automobile or Motorhome when at least one other Private Passenger Automobile or Motorhome is insured on the same account. The discount will apply to a Motorcycle, Off-Road Vehicle or Motorized Snow Vehicle when at least one Private Passenger Automobile or Motorhome is insured on the same account.<br><br>Vehicles without Liability and Accident Benefits coverage will not be included in the counts for eligible for the Multi-Vehicle discount. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, or Motorized Snow Vehicles |
| Renewal | The principal operator qualifies for driving records 5, 6, 8 or 9 and the policy has been insured with the Definity Insurance Company for the last 3 years. | Private Passenger Automobiles |
| Smart Move | The principal operator qualifies for driving records 5, 6, 8 or 9 and the driver's prior private passenger automobile insurance policy was insured with the same company for the last 5 years. This discount is applied for the first three policy terms and will be removed on the fourth policy term. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, or Motorized Snow Vehicles |

# Endorsements

## AB-SEF – Alberta Policy Change Form

| Policy Change Form | Eligibility and Coverage | Eligible Vehicle Types | Coverage Required | Premium |
|---|---|---|---|---|
| AB-SEF 2 – Designated Operator(s) Drive Other Automobiles Endorsement | This coverage is read in, at no additional premium and without issuing a change form, to provide Third Party Liability, and Accident Benefits for sons and daughters of the Insured who reside in the same household and who have been listed as drivers of the insured automobile while personally driving any automobile (other than the described automobile) with a gross vehicle weight of 4,500 kg (10,000 lbs.) or less. | Private Passenger Automobiles | Liability | $0 |
| AB-SEF 3 – Drive Government Automobiles Endorsement | This extends the policy to provide coverage to the insured while operating government owned vehicles where the insured is unprotected by insurance coverage. Loss or damage coverages are subject to a limit of $30,000. | Private Passenger Automobiles | Liability | $50 |
| AB-SEF 5A – Permission to Lease – Specified Lessee Endorsement | This extends the policy to provide the lessee with the same coverage as if the vehicle were an owned vehicle. This applies to any Private Passenger Automobile that is leased. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, Motorized Snow Vehicles, or Trailers and Camper Units | Not Applicable | $0 |

| | | | | |
|---|---|---|---|---|
| AB-SEF 6A – Carry Passengers for Compensation or Hire Endorsement | This provides permission to carry passengers for compensation as part of regular employment duties. Permission is automatically provided without the application of this endorsement for drivers that carpool and drivers carrying clients.<br><br>This does not include vehicles used to transport children while being compensated by a School Board, or vehicles used to transport individuals for compensation (i.e. Taxi, ride sharing, vehicle sharing, etc.).<br><br>Many volunteer organizations are dependent on volunteer drivers to transport individuals. These volunteer drivers may receive reimbursement for their driving expenses, including gas, vehicle wear and tear, and meals.<br><br>Volunteer driving should not be considered as a situation involving paying passengers. Therefore, no additional coverage is required (that is the AB-SEF 6(A) is not required) and no additional premium should be charged to volunteer drivers. However, if the volunteer organization requires the addition of the endorsement then we will add the endorsement as requested and apply the premium.<br><br>Also, AB-SEF 6(A) is not required if the vehicle is used to carry non-paying passengers for compensation | Private Passenger Automobiles | Liability | 10% of Third Party Liability and Accident Benefits |
| AB-SEF 9 – Marine Use Excluded Endorsement (Amphibious Vehicles) | This specifies that insurance is not provided while the vehicle is in or upon water or being launched or landed. This is required to be applied to any Off-Road Vehicles and Motorized Snow Vehicles. | Off-Road Vehicles or Motorized Snow Vehicles | Not Applicable | $0 |
| AB-SEF 13D – Limitation of Glass Coverage Endorsement | This removes glass coverage from the comprehensive section of the policy. It is only available on policies with a Comprehensive deductible of less than $1,000. | Private Passenger Automobiles or Motorhomes | All Perils or Comprehensive | A premium credit of 40% will be applied to Comprehensive or the Comprehensive portion of All Perils coverage. |

| | | | | |
|---|---|---|---|---|
| AB-SEF 13H – Existing Hail Damage - Deletion of Hail Coverage Endorsement | This endorsement removes hail coverage from the vehicle it is attached to on the policy. | Private Passenger Automobiles or Motorhomes | All Perils, Comprehensive or Specified Perils | $0 |
| AB-SEF 16 – Suspension of Coverages Endorsement<br><br>and<br><br>AB-SEF 17 – Reinstatement of Coverages Endorsement | This provides for the suspension and later reinstatement of coverage in the event the described automobile is taken off the road (including storage).<br><br>The advantage of this endorsement over the deletion of coverage is that the policy continues to provide Third Party Liability and Accident Benefits coverage while the described automobile is in storage or not being driven.<br><br>Premium credit provided will be given for all lengths of suspension, regardless of the 45 day duration mentioned in the standard endorsement wording.<br><br>The AB-SEF 16 endorsement will be eligible to remain on the vehicle for 24 months. | Private Passenger Automobiles or Motorhomes | Liability, Accident Benefits and Comprehensive or Specified Perils | A premium will be applied according to the following proportions for each coverage:<br><br>• Liability and Direct Compensation - 10%<br>• Accident Benefits - 50%<br>• Comprehensive/Specified Perils - 100%<br>• Collision - 0%<br><br>All Endorsements – 100% |
| AB-SEF 23A – Lienholder, Mortgagee or Assignee Endorsement | This is used to recognize a lienholder's insurable interest in the automobile. This requires that the lienholder be given 15 days' notice of cancellation of any physical damage coverage of the policy. This applies to any Private Passenger Automobile that has a lienholder. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, or Motorized Snow Vehicles, or Trailers and Camper Units | Not Applicable | $0 |
| AB-SEF 32 – Off-Highway Vehicle Endorsement | This is used to extend coverage to permit the off-road operation of certain recreational vehicles by unlicensed persons and by persons under 16 years of age. This is required to be applied to any Off-Road Vehicles and Motorized Snow Vehicles. | Off-Road Vehicles or Motorized Snow Vehicles | Not Applicable | $0 |

| | | | | |
|---|---|---|---|---|
| AB-SEF 35 – Emergency Service Expense Endorsement | This will cover emergency expenses that are required because your automobile is disabled. This does not apply to the cost of parts or supplies, oil, gasoline, batteries or tires.<br><br>• $50 maximum payout per occurrence | Private Passenger Automobiles or Motorcycles | Liability and one of All Perils, Comprehensive or Specified Perils | $10 |
| AB-SEF 44 – Family Protection Endorsement | This provides additional benefits for the named insured and other insured persons, as defined in the endorsement, if the other motorist does not have sufficient insurance to pay the claim, or should the other motorist be unidentified. The limit of coverage is the difference between the liability insurance limit of the insurance policy and that carried by the motorist at fault. | Private Passenger Automobiles, Motorhomes, Motorcycles, Off-Road Vehicles, or Motorized Snow Vehicles | Liability | Varies based on characteristics of the risk |

## CAE – Conditionally Approved Endorsement

<table>
<tr><th>Policy Change Form</th><th>Eligibility and Coverage</th><th>Eligible Vehicle Types</th><th>Coverage Required</th><th>Premium</th></tr>
<tr><td>CAE 7 - Transportation Replacement</td><td>This provides for the rental of an automobile while the insured vehicle is out of use due to a covered physical damage claim. Options of 30 days, 45 days or 60 days of coverage are available.</td><td>Private Passenger Automobiles or Motorcycles</td><td>Liability and one of All Perils, Collision, Comprehensive or Specified Perils</td><td>Charge the following flat premium, per vehicle, based on the coverage selected:<br><br>Private Passenger Automobile:<br>
<table>
<tr><th>Collision Rate Group</th><th>30 Days</th><th>45 Days</th><th>60 Days</th></tr>
<tr><td>1-20</td><td>$20</td><td>$30</td><td>$50</td></tr>
<tr><td>21-32</td><td>$25</td><td>$35</td><td>$55</td></tr>
<tr><td>33-43</td><td>$30</td><td>$40</td><td>$60</td></tr>
<tr><td>44-99</td><td>$35</td><td>$45</td><td>$65</td></tr>
</table>
<br>Motorcycle:<br>
<table>
<tr><th>List Price New</th><th>30 Days</th><th>45 Days</th><th>60 Days</th></tr>
<tr><td>$0-$10,000</td><td>$20</td><td>$30</td><td>$50</td></tr>
<tr><td>$10,001-$20,000</td><td>$25</td><td>$35</td><td>$55</td></tr>
<tr><td>$20,001-$50,000</td><td>$30</td><td>$40</td><td>$60</td></tr>
<tr><td>$50,001-$80,000</td><td>$35</td><td>$45</td><td>$65</td></tr>
</table>
</td></tr>
</table>

<table>
<tr>
<td>CAE 8 - Legal Liability for Damage to Non-Owned Automobiles</td>
<td>This extends coverage for liability for loss or damage arising from the care, custody or control of any automobile, including its equipment, not owned by the insured. The deductible and Physical Damage (Section 7) coverage applicable follows the same coverage provided for the vehicle insured on the Certificate of Insurance to which this endorsement is attached.</td>
<td>Private Passenger Automobiles, Motorhomes, or Motorcycles</td>
<td>Liability and one of All Perils, Collision, Comprehensive or Specified Perils</td>
<td>This endorsement is applied once per policy<br><br>Private Passenger Automobiles: (The total premium is based on the vehicle with the highest Collision rate group.)<br><br>
<table>
<tr><th>Collision Rate Group</th><th>Premium</th></tr>
<tr><td>1-20</td><td>$35</td></tr>
<tr><td>21-32</td><td>$40</td></tr>
<tr><td>33-43</td><td>$45</td></tr>
<tr><td>44-99</td><td>$50</td></tr>
</table>
<br>Motorcycles: (Where no private passenger vehicle or motorhome on policy, the total premium is based on the motorcycle with the highest list price new)<br><br>
<table>
<tr><th>List Price New</th><th>Premium</th></tr>
<tr><td>$0-$10,000</td><td>$25</td></tr>
<tr><td>$10,001-$20,000</td><td>$30</td></tr>
<tr><td>$20,001-$50,000</td><td>$35</td></tr>
<tr><td>$50,001-$80,000</td><td>$40</td></tr>
</table>
<br>Motorhomes: (Where no private passenger vehicle on policy, the total premium is based on the motorhome with the highest purchase price)<br><br>
<table>
<tr><th>Purchase Price</th><th>Premium</th></tr>
<tr><td>$0-$30,000</td><td>$30</td></tr>
<tr><td>$30,001-$50,000</td><td>$35</td></tr>
<tr><td>$50,001-$75,000</td><td>$40</td></tr>
<tr><td>$75,001-$100,000</td><td>$45</td></tr>
<tr><td>$100,001-$150,000</td><td>$50</td></tr>
<tr><td>$150,001-$200,000</td><td>$60</td></tr>
<tr><td>$200,001-$300,000</td><td>$70</td></tr>
<tr><td>$300,001-$500,000</td><td>$80</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr>
<td>CAE 9 - Depreciation Waiver<br><br>And<br><br>CAE 9 (L) - Depreciation Waiver for Specified Lessee(s)</td>
<td>This waives depreciation applied to settlement in the event of loss or damage. The vehicle will be eligible to purchase this coverage if:<ul><li>The Insured purchased the vehicle new; and</li><li>The vehicle is within two model years old.</li></ul>The endorsement will be eligible to remain on the vehicle for 5 policy terms for a new vehicle, 4 policy terms for a vehicle one model year old or 3 policy terms for a vehicle two model years old.</td>
<td>Private Passenger Automobiles, Motorcycles, Off-Road Vehicles, Motorized Snow Vehicles</td>
<td>All Perils, Collision, Comprehensive or Specified Perils</td>
<td>The below % are applied to the sum of the All Perils, Collision, Comprehensive, and Specified Perils coverage premiums, per vehicle.<br><br>
<table>
<tr><th>Model Year when coverage purchased</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th></tr>
<tr><td>Current model or newer</td><td>5%</td><td>5%</td><td>12%</td><td>25%</td><td>40%</td></tr>
<tr><td>One year old</td><td>5%</td><td>12%</td><td>25%</td><td>40%</td><td>-</td></tr>
<tr><td>Two years old</td><td>12%</td><td>25%</td><td>40%</td><td>-</td><td>-</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr>
<td>CAE 10 - Extended Depreciation Waiver<br><br>And<br><br>CAE 10 (L) – Extended Depreciation Waiver for Specified Lessee(s)</td>
<td>This waives depreciation applied to settlement in the event of loss or damage. The vehicle will be eligible to purchase this coverage if:<br><br>• The Insured purchased the vehicle used or it was a demonstrator; and<br>• The vehicle is within one model year old.<br><br>The endorsement will be eligible to remain on the vehicle for two policy terms.<br><br>*Note: by demonstrator we mean it was a demonstration/test vehicle with over 1,000 kilometres of mileage, was used by the dealership or dealership staff for any purpose other than demonstration/test drives or was used as service loan vehicle.</td>
<td>Private Passenger Automobiles, Motorcycles, Off-Road Vehicles, Motorized Snow Vehicles</td>
<td>All Perils, Collision, Comprehensive or Specified Perils</td>
<td>The below % are applied to the sum of the All Perils, Collision, Comprehensive, and Specified Perils coverage premiums, per vehicle.<br><br>
<table>
<tr><th>Model year when coverage purchased</th><th>Year 1</th><th>Year 2</th></tr>
<tr><td>Current model or newer</td><td>10%</td><td>15%</td></tr>
<tr><td>One year old</td><td>20%</td><td>30%</td></tr>
</table>
</td>
</tr>
<tr>
<td>CAE 11 - Hit & Run Deductible Waiver</td>
<td>This will waive the deductible up to $1000 in the event of a hit-and-run.</td>
<td>Private Passenger Automobiles and Motorcycles</td>
<td>Liability and one of All Perils, Collision, Comprehensive or Specified Perils</td>
<td>$10</td>
</tr>
</table>

## Endorsement Bundles

<table>
<tr><th>Bundle</th><th>Eligibility and Coverage</th><th>Eligible Vehicle Types</th><th>Coverage Required</th><th>Premium</th></tr>
<tr>
<td>Protection Plus</td>
<td>This combines the CAE 7 - Transportation Replacement and the CAE 8 - Legal Liability for Damage to Non-Owned Automobiles with a maximum limit of 30 days per occurrence, for a reduced premium. If coverage in excess of these limits is required, these endorsements can be purchased separately as detailed previously in this section of the manual. Also included in this bundle: AB-SEF 35 - Emergency Service Expense Endorsement and CAE 11 - Hit & Run Deductible Waiver.</td>
<td>Private Passenger Automobiles or Motorcycles</td>
<td>Liability and one of All Perils, Collision, Comprehensive or Specified Perils</td>
<td>Private Passenger Automobile:
<table>
<tr><th>Collision Rate Group</th><th>Premium Level 1 (Assigned to vehicle with highest Collision rate group that has purchased the Bundle)</th><th>Premium Level 2 (Assigned to all remaining vehicles on policy that have purchased the Bundle)</th></tr>
<tr><td>1-20</td><td>$50</td><td>$25</td></tr>
<tr><td>21-32</td><td>$60</td><td>$30</td></tr>
<tr><td>33-43</td><td>$70</td><td>$35</td></tr>
<tr><td>44-99</td><td>$80</td><td>$40</td></tr>
</table>
Motorcycles:
<table>
<tr><th>List Price New</th><th>Premium Level 1 (Assigned to motorcycle with the highest list price new that has purchased the Bundle)*</th><th>Premium Level 2 (Assigned to all remaining motorcycles on policy that have purchased the Bundle)</th></tr>
<tr><td>$0-$10,000</td><td>$50</td><td>$25</td></tr>
<tr><td>$10,001-$20,000</td><td>$55</td><td>$30</td></tr>
<tr><td>$20,001-$50,000</td><td>$65</td><td>$35</td></tr>
<tr><td>$50,001-$80,000</td><td>$75</td><td>$40</td></tr>
</table>
*Level 1 Motorcycle price will be assigned to a motorcycle if there are no private passenger vehicles on the policy that have selected the Protection Plus Bundle. If there are private passenger vehicles that have requested the bundle, Level 2 price will be applied to the motorcycles that have also requested the bundle.
</td>
</tr>
</table>

# Recreational Vehicles

## Motorcycles

A Motorcycle is defined under the Highway Traffic Act as a self-propelled vehicle having a seat or saddle for the use of the driver and is designed to travel on not more than three wheels in contact with the ground.

### Underwriting rules for declining to issue, terminating or refusing to renew a contract(All of our Private Passenger Automobile Underwriting rules for declining to issue, terminating or refusing to renew a contract also apply):

| Rule# | Drivers |
|---|---|
| 1 | 8 or more minor convictions in the last 3 years. |
| 2 | 3 or more major or serious convictions in the last 3 years. |
| 3 | 4 or more chargeable accidents in the last 6 years. |
| 4 | 1 or more auto insurance fraud convictions or cancellations in the last 10 years. |
| 5 | 1 or more material misrepresentation or non-disclosure cancellations in the last 3 years. |
| 6 | 2 or more non-payment cancellations in the last 3 years. |
| **Rule#** | **Drivers - Combinations** |
| 7 | 1 or more non-payment cancellations in the last 3 years and 2 or more minor convictions in the last 3 years. |
| 8 | 1 or more non-payment cancellations in the last 3 years and 1 or more major or serious convictions in the last 3 years. |
| 9 | 1 or more non-payment cancellations in the last 3 years and 1 or more chargeable accidents in the last 6 years. |
| 10 | 2 or more major convictions and 5 or more minor convictions in the last 3 years. |
| 11 | 2 or more serious convictions and 4 or more minor convictions in the last 3 years. |
| 12 | 2 or more chargeable accidents in the last 6 years and 6 or more minor convictions in the last 3 years. |
| 13 | 3 or more chargeable accidents in the last 6 years and 4 or more minor convictions in the last 3 years. |
| 14 | 3 or more chargeable accidents in the last 6 years and 2 or more major or serious convictions in the last 3 years. |
| | **Motorcycles** |
| 15 | Motorcycles that do not have a valid Insurance Bureau of Canada's vehicle code as found on the IBC Vehicle Information tables. |
| 16 | Motorcycles without a manufacturer’s assigned Vehicle Identification Number (VIN) |
| 17 | Motorcycles where the principal operator has less than 3 years of motorcycle experience. |
| 18 | Motorcycles that are Sport class as found in the IBC Vehicle Information Tables where the principal operator has less than 10 years of motorcycle experience. |
| 19 | Motorcycles that are Adventure, Dual Purpose, Enduro, Motard/Supermotard, Moped, Off Road, Off Road Motocross, or Off-Road Trials class as found in the IBC Vehicle Information Tables. |

| | |
|---|---|
| 20 | Motorcycles with an engine displacement of 150cc’s or less. |
| 21 | Motorcycles with an engine displacement of greater than 2000cc’s. |
| 22 | Motorcycles with a combined Manufacturer's Suggested Retail Price (MSRP) and acceptable customization value greater than $80,000. |
| 23 | Motorcycles with unacceptable customization including any frame alterations, any changes to engine performance or configuration (including power increasing exhausts), any changes to the transmission performance or configuration, or any nitrous oxide. |
| 24 | Motorcycles used for Business or Commercial as defined under Type of Use. |
| 25 | Motorcycles used for a one way commute of greater than 25 kilometers. |
| 26 | Motorcycles where Liability and Accident Benefit coverage are not insured with Definity Insurance Company. |
| 27 | Motorcycles identified as a constructive total loss as defined by any government's Ministry of Transportation. This includes motorcycles branded as salvaged or irreparable. |
| 28 | Motorcycles with prior unrepaired damage that may affect the safe operation of the vehicle. |

## Underwriting rules for refusing to provide or continue a coverage:

| Rule# | Motorcycles |
|---|---|
| 1 | Collision or All Perils coverage will be declined if in the last 3 years there have been either 3 non-chargeable collision claims or a combination of 3 collision claims including at least 1 chargeable and 1 non-chargeable collision claim assigned to a vehicle. |
| 2 | Comprehensive, Specified Perils or All Perils coverage will be declined if in the last 3 years there have been 2 or more comprehensive claims assigned to a vehicle. Glass or Hail claims will not be considered when declining coverage. |
| 3 | Motorcycles not written in conjunction with a Commercial Type of Use automobile on the same policy will be subject to a maximum $2,000,000 limit for Third Party Liability coverage. |

## Off-Road Vehicles

Vehicles designed for use on all terrains that have steering handlebars and a seat that is designed to be straddled by the driver. This includes vehicles designed for utility applications or uses on all terrains that have four or more wheels and a seat that is not designed to be straddled by the driver.

### Underwriting rules for declining to issue, terminating or refusing to renew a contract (All of our Private Passenger Automobile Underwriting rules for declining to issue, terminating or refusing to renew a contract also apply):

| Rule# | Drivers |
|---|---|
| 1 | 8 or more minor convictions in the last 3 years. |
| 2 | 3 or more major or serious convictions in the last 3 years. |
| 3 | 4 or more chargeable accidents in the last 6 years. |
| 4 | 1 or more auto insurance fraud convictions or cancellations in the last 10 years. |
| 5 | 1 or more material misrepresentation or non-disclosure cancellations in the last 3 years. |
| 6 | 2 or more non-payment cancellations in the last 3 years. |
| **Rule#** | **Drivers - Combinations** |
| 7 | 1 or more non-payment cancellations in the last 3 years and 2 or more minor convictions in the last 3 years. |
| 8 | 1 or more non-payment cancellations in the last 3 years and 1 or more major or serious convictions in the last 3 years. |
| 9 | 1 or more non-payment cancellations in the last 3 years and 1 or more chargeable accidents in the last 6 years. |
| 10 | 2 or more major convictions and 5 or more minor convictions in the last 3 years. |
| 11 | 2 or more serious convictions and 4 or more minor convictions in the last 3 years. |
| 12 | 2 or more chargeable accidents in the last 6 years and 6 or more minor convictions in the last 3 years. |
| 13 | 3 or more chargeable accidents in the last 6 years and 4 or more minor convictions in the last 3 years. |
| 14 | 3 or more chargeable accidents in the last 6 years and 2 or more major or serious convictions in the last 3 years. |
| **Rule#** | **Off-Road Vehicles** |
| 15 | Off-Road Vehicles identified as a constructive total loss as defined by any government's Ministry of Transportation. This includes off-road vehicles branded as salvaged or irreparable. |
| 16 | Off-Road Vehicles with prior unrepaired damage that may affect the safe operation of the vehicle. |
| 17 | Off-Road Vehicles that do not have a valid Insurance Bureau of Canada's vehicle code as found on the IBC Vehicle Information tables. |
| 18 | Off-Road Vehicles without a manufacturers assigned Vehicle Identification Number (VIN) |
| 19 | Off-Road Vehicles where the principal operator has been licensed less than 3 years. |
| 20 | Off-Road Vehicles used for Business or Commercial as defined under Type of Use. |
| 21 | Off-Road Vehicles with an engine displacement of 125cc’s or less. |

| | |
|---|---|
| 22 | Off-Road Vehicles with less than 4 wheels. |
| 23 | Off-Road Vehicles with a combined Manufacturer's Suggested Retail Price (MSRP) and acceptable customization value greater than $50,000. |
| 24 | Off-Road Vehicles that are Buggy, Lite or Sport class as found in the IBC Vehicle Information Tables. |
| 25 | Off-Road Vehicles with unacceptable customization including any frame alterations, any changes to engine performance or configuration (including power increasing exhausts), any changes to the transmission performance or configuration, or any nitrous oxide. |
| 26 | Off-Road Vehicles without Liability and Accident Benefit coverage insured with Definity Insurance Company. |

## Underwriting rules for refusing to provide or continue a coverage:

| Rule# | Off-Road Vehicles |
|---|---|
| 1 | Collision or All Perils coverage will be declined if in the last 3 years there have been either 3 non-chargeable collision claims or a combination of 3 collision claims including at least 1 chargeable and 1 non-chargeable collision claim assigned to a vehicle. |
| 2 | Comprehensive, Specified Perils or All Perils coverage will be declined if in the last 3 years there have been 2 or more comprehensive claims assigned to a vehicle. Glass or Hail claims will not be considered when declining coverage. |
| 3 | Off-Road Vehicles not written in conjunction with a Commercial Type of Use automobile on the same policy will be subject to a maximum $2,000,000 limit for Third Party Liability coverage. |

## Motorized Snow Vehicles

Vehicles designed to be driven exclusively on snow or ice with a seat that is designed to be straddled by the driver, steerable skis on the front and revolving tread in the rear.

### Underwriting rules for declining to issue, terminating or refusing to renew a contract (All of our Private Passenger Automobile Underwriting rules for declining to issue, terminating or refusing to renew a contract also apply):

| Rule# | Drivers |
|---|---|
| 1 | 8 or more minor convictions in the last 3 years. |
| 2 | 3 or more major or serious convictions in the last 3 years. |
| 3 | 4 or more chargeable accidents in the last 6 years. |
| 4 | 1 or more auto insurance fraud convictions or cancellations in the last 10 years. |
| 5 | 1 or more material misrepresentation or non-disclosure cancellations in the last 3 years. |
| 6 | 2 or more non-payment cancellations in the last 3 years. |
| **Rule#** | **Drivers - Combinations** |
| 7 | 1 or more non-payment cancellations in the last 3 years and 2 or more minor convictions in the last 3 years. |
| 8 | 1 or more non-payment cancellations in the last 3 years and 1 or more major or serious convictions in the last 3 years. |
| 9 | 1 or more non-payment cancellations in the last 3 years and 1 or more chargeable accidents in the last 6 years. |
| 10 | 2 or more major convictions and 5 or more minor convictions in the last 3 years. |
| 11 | 2 or more serious convictions and 4 or more minor convictions in the last 3 years. |
| 12 | 2 or more chargeable accidents in the last 6 years and 6 or more minor convictions in the last 3 years. |
| 13 | 3 or more chargeable accidents in the last 6 years and 4 or more minor convictions in the last 3 years. |
| 14 | 3 or more chargeable accidents in the last 6 years and 2 or more major or serious convictions in the last 3 years. |
| **Rule#** | **Motorized Snow Vehicles** |
| 15 | Motorized Snow Vehicles identified as a constructive total loss as defined by any government's Ministry of Transportation. This includes motorized snow vehicles branded as salvaged or irreparable. |
| 16 | Motorized Snow Vehicles with prior unrepaired damage that may affect the safe operation of the vehicle. |
| 17 | Motorized Snow Vehicles that do not have a valid Insurance Bureau of Canada's vehicle code as found on the IBC Vehicle Information tables. |
| 18 | Motorized Snow Vehicles without a manufacturers assigned Vehicle Identification Number (VIN) |
| 19 | Motorized Snow Vehicles where the principal operator has been licensed less than 3 years. |
| 20 | Motorized Snow Vehicles used for Business or Commercial as defined under Type of Use. |
| 21 | Motorized Snow Vehicles with an engine displacement of 125cc’s or less. |

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| 22 | Motorized Snow Vehicles with a combined Manufacturer's Suggested Retail Price (MSRP) and acceptable customization value greater than $50,000. |
| 23 | Motorized Snow Vehicles that do not have a valid Insurance Bureau of Canada's vehicle code as found on the IBC Vehicle Information tables. |
| 24 | Motorized Snow Vehicles with the following Class as found in the IBC Vehicle Information tables: Junior or Monoski. |
| 25 | Motorized Snow Vehicles with unacceptable customization including any frame alterations, any changes to engine performance or configuration (including power increasing exhausts), any changes to the transmission performance or configuration, or any nitrous oxide. |
| 26 | Motorized Snow Vehicles without Liability and Accident Benefit coverage insured with Definity Insurance Company. |

## Underwriting rules for refusing to provide or continue a coverage:

| Rule# | Motorized Snow Vehicles |
|---|---|
| 1 | Collision or All Perils coverage will be declined if in the last 3 years there have been either 3 non-chargeable collision claims or a combination of 3 collision claims including at least 1 chargeable and 1 non-chargeable collision claim assigned to a vehicle. |
| 2 | Comprehensive, Specified Perils or All Perils coverage will be declined if in the last 3 years there have been 2 or more comprehensive claims assigned to a vehicle. Glass or Hail claims will not be considered when declining coverage. |
| 3 | Motorized Snow Vehicles not written in conjunction with a Commercial Type of Use automobile on the same policy will be subject to a maximum $2,000,000 limit for Third Party Liability coverage. |

## Motorhomes

A Motorhome (Class A, B or C) is a self-propelled vehicle with living quarters as a permanent part of the vehicle:

- Class A - A Motorhome in which the cab of the vehicle and living quarters are one unit.
- Class B - A factory-modified van with living quarters.
- Class C - A Motorhome in which the cab of the vehicle and living quarters are separate units.

### Underwriting rules for declining to issue, terminating or refusing to renew a contract (All of our Private Passenger Automobile Underwriting rules for declining to issue, terminating or refusing to renew a contract also apply):

| Rule# | Drivers |
|---|---|
| 1 | 8 or more minor convictions in the last 3 years. |
| 2 | 3 or more major or serious convictions in the last 3 years. |
| 3 | 4 or more chargeable accidents in the last 6 years. |
| 4 | 1 or more auto insurance fraud convictions or cancellations in the last 10 years. |
| 5 | 1 or more material misrepresentation or non-disclosure cancellations in the last 3 years. |
| 6 | 2 or more non-payment cancellations in the last 3 years. |
| **Rule#** | **Drivers - Combinations** |
| 7 | 1 or more non-payment cancellations in the last 3 years and 2 or more minor convictions in the last 3 years. |
| 8 | 1 or more non-payment cancellations in the last 3 years and 1 or more major or serious convictions in the last 3 years. |
| 9 | 1 or more non-payment cancellations in the last 3 years and 1 or more chargeable accidents in the last 6 years. |
| 10 | 2 or more major convictions and 5 or more minor convictions in the last 3 years. |
| 11 | 2 or more serious convictions and 4 or more minor convictions in the last 3 years. |
| 12 | 2 or more chargeable accidents in the last 6 years and 6 or more minor convictions in the last 3 years. |
| 13 | 3 or more chargeable accidents in the last 6 years and 4 or more minor convictions in the last 3 years. |
| 14 | 3 or more chargeable accidents in the last 6 years and 2 or more major or serious convictions in the last 3 years. |
| **Rule#** | **Motorhomes** |
| 15 | Motorhomes identified as a constructive total loss as defined by any government's Ministry of Transportation. This includes motorhomes branded as salvaged or irreparable. |
| 16 | Motorhomes with prior unrepaired damage that may affect the safe operation of the vehicle. |
| 17 | Motorhomes without a manufacturers assigned Vehicle Identification Number (VIN) |
| 18 | Motorhomes with unacceptable customization including any frame alterations, any changes to engine performance or configuration (including power increasing exhausts), any changes to the transmission performance or configuration, or any nitrous oxide. |

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| 19 | Motorhomes where the principal operator has been licensed less than 3 years. |
| 20 | Motorhomes that are not factory built and equipped (i.e. home built models). |
| 21 | Motorhomes in excess of 45 feet in length. |
| 22 | Motorhomes rented or leased to others. |
| 23 | Motorhomes used for Commute, Business, Farm, or Commercial as defined under Type of Use. |
| 24 | Motorhomes with a combined purchase price and acceptable customization value greater than $500,000. |
| 25 | **New Business**: Motorhomes without Liability and Accident Benefit coverage insured with Definity Insurance Company.<br><br>**Renewals:** The policy does not have a Motorhome that has Liability and Accident Benefit coverage insured with Definity Insurance Company. In no event will coverage reduction to Specified Perils be permitted.<br><br>**Renewals:** Motorhomes without Liability and Accident Benefit coverage or with the AB-SEF 16 applied for longer than the last 24 months with Definity Insurance Company. |

## Underwriting rules for refusing to provide or continue a coverage:

| Rule# | Motorhomes |
|---|---|
| 1 | Collision or All Perils coverage will be declined if in the last 3 years there have been either 3 non-chargeable collision claims or a combination of 3 collision claims including at least 1 chargeable and 1 non-chargeable collision claim assigned to a vehicle. |
| 2 | Comprehensive, Specified Perils or All Perils coverage will be declined if in the last 3 years there have been 2 or more comprehensive claims assigned to a vehicle. Glass or Hail claims will not be considered when declining coverage. |
| 3 | The AB-SEF 13D will be added to a vehicle with Comprehensive or All Perils coverage if in the last 3 years there have been 2 or more comprehensive glass claims assigned to a vehicle. |
| 4 | The AB-SEF 13H will be added to a vehicle with Comprehensive, Specified Perils or All Perils coverage if in the last 3 years there have been 2 or more comprehensive hail claims assigned to a vehicle. |
| 5 | Vehicles with a purchase price between $150,000 and $250,000 will be subject to minimum $2000 deductible for All Perils, Collision, Comprehensive or Specified Perils coverage. |
| 6 | Motorhomes with a purchase price over $250,000 will be subject to minimum $5000 deductible for All Perils, Collision, Comprehensive or Specified Perils coverage. |
| 7 | Motorhomes not written in conjunction with a Commercial Type of Use automobile on the same policy will be subject to a maximum $2,000,000 limit for Third Party Liability coverage. |

## Trailers and Camper Units

A Trailer is a vehicle without motive power, designed to be towed behind a private passenger automobile. A trailer mounted on a permanent foundation is not included in this definition. A Camper Unit is specifically constructed removable units providing weather protection for the box of an otherwise open commercial vehicle (i.e. pickup truck).

### Underwriting rules for declining to issue, terminating or refusing to renew a contract (All of our Private Passenger Automobile Underwriting rules for declining to issue, terminating or refusing to renew a contract also apply):

| Rule# | Trailer and Camper Units |
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| 1 | Trailers and Camper Units used for Business or Commercial as defined under Type of Use. |
| 2 | Trailers and Camper Units in excess of 40 feet in length. |
| 3 | Trailers and Camper Units not written in conjunction with a new or existing automobile policy. |
| 4 | Trailers and Camper Units with a combined trailer and acceptable customization value greater than $75,000. |
| 5 | Trailers and Camper Units identified as a constructive total loss as defined by any government's Ministry of Transportation. This includes trailers and camper units branded as salvaged or irreparable. |
| 6 | Trailers and Camper Units with prior unrepaired damage that may affect the safe operation of the vehicle. |