

Circular 1-01

May 1, 2001

To: All Automobile Insurers Licensed in Alberta

Subject: Individual and Fleet Rating of Vehicles

Vehicles that do not satisfy all of the criteria for fleet rating must be individually rated in accordance with the approved rating program. Fleet rating can only apply to a group of at least five powered vehicles under common ownership or management that are used for business, commercial or public transportation purposes. The essential elements of a fleet are (1) sufficient number of powered vehicles, (2) common ownership or management, (3) specified type of use and (4) insurable interest.

1. There must be at least five power vehicles to constitute a fleet.
2. The vehicles must be under common ownership or common management. Long-term leasing (more than thirty (30) days) of vehicles is a common way to acquire vehicles and lessees are responsible for such vehicles. Therefore, leased vehicles are considered as the equivalent of owned vehicles for the purpose of determining whether the risk qualifies as a fleet.
3. There must be five vehicles used for business, commercial or public transportation purposes. An automobile policy that insures a fleet may also include personal use vehicles, providing the risk first satisfies the aforementioned criterion.
4. The insured must have a valid insurable interest in each vehicle.

ALBERTA AUTOMOBILE
INSURANCE BOARD

(Original Signed)

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