

# APPENDIX

## Order

1(1) In this Order,

“Act” means the *Insurance Act*;

“Board” means the Alberta Automobile Insurance Board;

(c) “contract” means a contract of automobile insurance;

(d) “demerit offence” means a demerit offence as defined in the *Demerit Point Program and Service of Documents Regulation* (AR 331/2002);

(e) “effective date of this Order” means October 30, 2003;

(f) “existing contract” means a contract in existence on the effective date of this Order that is renewed after that date;

(g) “experience rating formula” means an experience rating formula as that term is understood in the automobile insurance industry;

(h) “garage risk” means a risk insured under an S.P.F. No. 4 – Garage Policy;

(i) “glass coverage” means insurance in respect of automobile glass;

(j) “new contract” means a contract issued on or after the effective date of this Order and includes a renewal of that contract;

“premium” means a premium as defined in section 661.1(1)(d) of the Act and includes any rates, fees, surcharges or other amounts payable by an insured under or in respect of a contract;

(l) “present premiums” means,

(i) in respect of an existing contract, the premiums charged under that contract when it was issued, or

(ii) in the case of an existing contract that was renewed before the effective date of this Order, the premiums charged when the existing contract was last renewed,

and includes any premium charged under that existing contract for an amendment to that contract.

(2) Terms used in this Order that are defined in Part 5, Subpart 5 of the Act have the same meaning as they have in that Subpart of the Act.

**2** This Order does not affect premiums determined by an insurer in accordance with its experience rating formula used in connection with a contract covering a fleet of commercial vehicles or a garage risk.

**3** This Order does not apply to an insurer that provides only glass coverage and no other type of automobile insurance coverage to the public.

**4** No insurer shall charge or collect premiums in respect of a new contract that are greater than the premiums in effect for that insurer under its rating program on the effective date of this Order.

**5(1)** Except as permitted under subsection (2), no insurer shall charge or collect premiums in respect of an existing contract that are greater than the present premiums.

**(2)** An insurer may charge and collect premiums in respect of an existing contract that are greater than the present premiums if the additional premiums

- (a)** are determined in accordance with the insurer's rating program in effect on the effective date of this Order, and
- (b)** are a direct result of one or more of the following having occurred to an insured under the contract since it was issued or, in the case of an existing contract that was renewed before the effective date of this Order, last renewed:
  - (i)** the insured has been convicted of an offence under the *Criminal Code* (Canada) that is related to the use or operation of an automobile;
  - (ii)** the insured has been convicted of a demerit offence;
  - (iii)** the insured has had an accident in respect of which the insured is held to be partially or wholly at fault.

**6(1)** No insurer shall charge or collect premiums with respect to an amendment to a new contract or an existing contract that are greater than the premiums applicable to that amendment that are in effect for that insurer under its rating program on the effective date of this Order.

**(2)** For the purposes of this section and section 1(1)(1), a reference to an amendment to a new contract or an existing contract is a reference to an amendment that would change the rating of the contract.

**7** Notwithstanding anything in this Order, a rating program may be amended to take into account a change in rating groups respecting automobiles.

**8(1)** Any premium increases approved by the Board under section 656 of the Act that are to take effect after the effective date of this Order are suspended.

**(2)** For the purposes of subsection (1) and section 9, a reference to premiums includes a reference to rates under section 656 of the Act.

**9** Notwithstanding anything to the contrary in the Act, during the term of this Order the Board is not eligible to receive any applications under section 656 of the Act for approval of premium increases.

**10** The term of this Order commences on October 30, 2003 and ends on April 29, 2005.