

August 18, 2016

Notice 04-16

**Notice to all Stakeholders:
Fleet Definition Update**

Alberta is modernizing the auto insurance system to allow for coverage of ride-sharing services in order to better protect drivers and consumers.

Background

On June 28th, 2016, the Superintendent's Office of Insurance published the Bulletin 04-2016 which approved a new standard automobile insurance policy form named the Alberta Standard Automobile Form – Transportation Network S.P.F. No. 9 ("SPF9") for use in Alberta effective July 1, 2016.

The AIRB is responsible for regulating rating programs of Alberta Auto insurers, therefore the fleet definition from the AIRB's Circular 2001-01 is being updated (refer to 2.ii. below) to include risks from ride-sharing services.

The Updated Definition:

"Fleet" means a group of automobiles that meets the following requirements:

1. There must be at least five power vehicles to constitute a fleet.
2. The automobiles in the group meet one of the two below sets of criteria:
 - i. The automobiles are under common ownership or 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. Or,
 - ii. The automobiles are available for hire through a common online-enabled application or system for the pre-arrangement of transportation, and insured under the Alberta Standard Automobile Form – Transportation Network S.P.F. No. 9 ("SPF9") in which the automobile owner or lessee, as the case may be, has coverage as an insured named in the contract.
3. At least five of the automobiles in the group are commercial vehicles, public vehicles or vehicles used for business 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.

Process

Automobiles that satisfy the above requirements can be fleet-rated, and are waived from the filing requirements.

Should you have any questions relating to this Bulletin, please contact our office at (780) 427-5428 or by email vivian.cao@gov.ab.ca or kimberley.kern@gov.ab.ca.

Sincerely,

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Executive Director
Automobile Insurance Rate Board