

## BINDING AUTHORITY

Brokers are authorized to place and bind commercial automobile within the guidelines outlined in this manual.

### MAXIMUM LIMITS, MINIMUM DEDUCTIBLES

#### 1. Personal

**All:** (a) Private Passenger;

(b) "Light" Commercial Vehicles  
(under 10,000 lbs. g.v.w.)  
used for pleasure only;

(c) Motorcycles and Snowmobiles  
used for pleasure only.

Please refer to the Binding  
Authority Section in your  
Personal Lines Manual.

#### 2. Commercial

(a) Accident and conviction free:	Section A: \$5,000,000 – Classes 33, 34, 35, 36, 43, 44, 45, 54 & 55  \$2,000,000 – All Other  Section B: As required by Statute.  Section C: See below for Physical Damage Deductibles.
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(b) With accident or conviction record: Section A: \$500,000

Section B: As required by Statute.

Section C: Refer to Company

#### **Item 2. (a) Section C – Physical Damage Deductibles**

The following minimum physical damage deductibles apply:

##### **Light Commercial Vehicles**

All Perils or Collision: Minimum \$500 Deductible

Comprehensive or Specified Perils: Minimum \$500 Deductible

##### **Heavy Commercial Vehicles**

All Perils or Collision: Minimum \$1,000 Deductible

Comprehensive or Specified Perils: Minimum \$1,000 Deductible

- For a heavy commercial vehicle with a List Price New that is greater than or equal to \$150,000, the minimum All Perils, collision, Comprehensive or Specified Perils deductible will be 5% of the List Price New.

Broker must obtain prior approval from underwriting to bind limits and amounts in excess of stated amounts.

## RULES FOR BINDING

Brokers are authorized to bind commercial automobile business falling within the parameters outlined in this manual. Where such authority is granted, brokers are authorized to bind coverage and issue a temporary liability card to the Named Insured for a period not to exceed thirty (30) consecutive days from the effective date of the binder.

All Commercial Automobile binders are subject to the following rules:

- When a risk is bound the documentation required within your binding authority must be sent to the company within the close of the next business day for review and processing.
- Ensure that the application is completed in full and signed by the applicant. Also, attach all necessary information that will aid in the acceptance of the risk (i.e. out of province motor vehicle authorization, claims experience letters, drivers abstracts and commercial vehicle supplements); and
- It must be indicated on the Application Form that coverage is bound.
- All quotes for automobile insurance must be made using a current applicable Intact Rating Manual, an Intact quoting system or available (premium displayed) on a comparative rating service.
- Any false statement (material or non-material) voids a binder or application.
- Quotations are valid for thirty (30) days from the date quoted for IRCA risks and three (3) months from the date quoted for Fleets and Garages or until expiry date.

**Where a policy is not received within thirty (30) days of the effective date of the binder, the Broker may issue a further thirty (30) day temporary liability card and advise Intact accordingly.**

Physical Damage Coverages (Optional), cannot be bound for new risks or added to existing risks:

- Until 168 hours has passed following an earthquake of at least 3.0 magnitude when the risk location is within 100 kms of the epicentre. This restriction restarts each time there is an earthquake with a magnitude of 3.0 or greater.
- Within 25 kms of a forest fire classified as "out of control" by the local government/civil authority or facing immediate or potential threat from an advancing forest fire. Forest fires include brush fires and grass fires.
- Following the publication or broadcast of a tropical storm/hurricane watch or warning by Environment Canada/Canadian Hurricane Centre for any area located on the Canadian coastline if the risk is located within 250 kms of the watch or warning. Restrictions remain in effect until 48 hours after the watch or warning has expired.
- When in the imminent path of a major weather event when significant damage is probable. This restriction continues until the emergency or major weather event is over regardless if a state of emergency has been declared or not.

**RISKS YOU MUST REFER BEFORE BINDING**

- The Applicant has been in business for less than one year and has had no prior experience in the same or similar business.
- Applicant or policyholder where automobile insurance has been declined, refused renewal or cancelled by another insurer.
- Any driver/operator of a heavy commercial vehicle having less than three (3) years confirmable and relevant driving experience; relevant driving experience means experience driving comparable vehicles within a similar radius and having similar cargo.
- Any operator subject to surcharge due to convictions.
- Any Commercial Rate Class designated as 'Refer' in Section F – Rating Manual.
- Interurban Classes 61, 62, 63 or 64 and Public Vehicles.
- Commercial vehicles with U.S.A. exposure.
- Any risk having a vehicle fire concentration exposure (any one location in excess of \$500,000).
- Vehicles with physical damage cover only.
- Oversize or overweight loads.
- Any vehicle required to be placarded.
- Garage risks.
- Fleet rated risks - all classes of vehicles.
- Non-owned vehicles.
- Any applicant or policyholder who holds an FMCSA Safety Measurement system "out of service rate" exceeding the national average
- Containerized Freight or requiring the Uniform Intermodal Interchanges & Facilities Access Agreement (UIIA)
- Winter road construction
- Waste/recycling non-hazardous within enclosed bin
- ATV and Snowmobiles used for commercial purposes

**RISKS WE DO NOT WRITE****As respects any Applicant for a contract of Automobile Insurance who:**

1. The applicant or insured refuses to complete and/or sign an application, questionnaire or supplement, or the applicant or insured refuses to divulge or provide any underwriting information required for full assessment and/or issuance of the policy, endorsement change or renewal.
2. Applicant or policyholder who has been canceled for non-disclosure or material misrepresentation in the preceding three (3) years.
3. Applicant or policyholder fails to comply with requirement to sign any endorsement as requested.
4. Failure to pay outstanding earned premium, deductible or reimbursement from any previous automobile policy term with any broker channel member insurance company of Intact Financial Corporation.
5. Applicant or policyholder has had two (2) or more cancellations for non-payment of premium in the preceding three (3) years.
6. Applicant or policyholder has an invalid or no Carrier Profile.
7. Any applicant or policyholder that currently has or had in the past two (2) years, owned, partially owned, or operated a company which has or had a provincial, state, or federal "Conditional" or "Unsatisfactory" carrier safety rating or has had seizure of plates or suspension and/or cancellation of the carrier's operating privileges.

**As respects any Applicant, listed driver or other person to be insured under a contract of automobile insurance who:**

8. Is listed as a driver of a vehicle over 4,500 kg with less than three (3) years proven experience operating heavy vehicles of the same type and class of use.
9. Has less than three (3) years proven driving experience and is operating a vehicle used to carry passengers for compensation or for transporting passengers in connection with a religious group, non-profit organization, senior facility, daycare, camp or similar operation.
10. No driver of the vehicle insured under the contract holds a valid driver's license and/or appropriate class of driver's license.
11. Applicant or policyholder fails to promptly notify the Insurer of any change in the risk material to the contract that is within the insured's knowledge.
12. If the applicant makes a false statement in respect of a claim under the contract.
13. A driver is unknown, unreported, unapproved or non-declared and involved in a claim(s).
14. Any driver who has been convicted of a Criminal Code of Canada conviction or has one (1) or more major (including distracted driving) or serious Highway Traffic Act convictions in the preceding three (3) years.
15. Any driver or applicant/policyholder where there is verbal, physical or written abuse (including threats made) to an employee, service provider, contractor or broker of any Intact Financial Corporation company as reported to security, legal compliance and/or police.
16. Has had four (4) or more minor convictions in the preceding three (3) years.

**RISKS WE DO NOT WRITE**

**As respects any Applicant, listed driver or other person to be insured under a contract of automobile insurance who:**

17. Has had one (1) or more convictions for automobile insurance fraud in the preceding ten (10) years.
18. Has had two (2) or more at-fault losses in the preceding six (6) years.
19. Has had one (1) or more at-fault losses in the preceding six (6) years and two (2) or more minor convictions in the preceding three (3) years.
20. Has had one (1) or more at-fault losses in the preceding 6 years, one (1) or more minor convictions in the preceding three (3) years and one (1) or more cancellations for non-payment in the preceding three (3) years.
21. Has had three (3) or more minor convictions in the preceding three (3) years and one (1) or more cancellations for non-payment in the preceding three (3) years.
22. Is listed as a principal operator licensed in Canada or the United States for less than four (4) years and has had one (1) or more at-fault accidents.
23. Is listed as a principal operator licensed in Canada or the United States for less than four (4) years and has had two (2) or more minor convictions in the preceding three (3) years.

**As respects a vehicle upon which coverage under a contract of automobile insurance is requested that:**

24. Is rented or leased to others. We will however allow vehicles used in an acceptable\* peer-to-peer car sharing program where the vehicle is insured under a commercial fleet policy during the delivery and rental period. \*Acceptability is determined based on the corresponding commercial fleet coverage in place.
25. Vehicles operated out-of-province for more than six (6) consecutive months.
26. Is a commercial trailer, and Intact does not insure the pulling motor vehicle.
27. Is used for purposes other than for which it was originally designed.
28. Is not equipped with appropriate seating and is used to carry passengers.
29. Is deemed unsafe or unfit to operate or fails to meet a government inspection standard as a result of a qualified mechanical determination.
30. Safety Certificates will be required for the following vehicles:
  - i. Vehicles damaged to an extent that we feel the vehicles are not safe to operate and/or the policyholder accepts a cash settlement in lieu of having the vehicle properly repaired.
  - ii. Vehicles which are determined to be a total loss and the policyholder retains the salvage.
  - iii. Vehicles over eighteen (18) years old and the photograph indicates that a safety certificate is warranted.

If the safety certificate is not provided, we will not write or refuse to renewal the policy.
31. Non-repairable branded vehicles.

**RISKS WE DO NOT WRITE**

**As respects a vehicle upon which coverage under a contract of automobile insurance is requested that:**

- 32. Vehicles fuelled by other than gasoline, propane (must be factory installed or converted by authorized agency), natural gas, diesel or electricity.

**As respects the following vehicle uses or types of operations or exposures for which coverage under a contract of automobile insurance is requested:**

- 33. Armoured cars
- 34. Car Carrier that is not incidental to a garage operation.
- 35. Commercial type vehicles used in conjunction with amusement parks, carnivals or circuses.
- 36. Commercial/household waste, recycling, or scrap (open trailer only) – common and contract carriers. Private over 400 km
- 37. Courier services, express companies, parcel or grocery delivery or similar operations without regular pre-established routes and/or operate within guaranteed time windows.
- 38. Courtesy vehicles unless operated in connection with a garage operation we insure.
- 39. Custom kit cars, replica, and hot rods.
- 40. Designated driver services.
- 41. Driver training vehicles.
- 42. Emergency vehicles other than those used in connection with the operation of a rural volunteer fire department.
- 43. Food delivery (prepared meals) – operating with time constraints. This does not include vehicles used in an acceptable\* peer-to-peer food delivery program where the vehicle is insured under a commercial fleet policy from the time the driver has logged into the app and while carrying food. \*Acceptability is determined based on the corresponding commercial fleet coverage in place.
- 44. Door to door or curbside garbage/recycling/waste pick up.
- 45. Ice cream non-stationary vendors selling to the public.
- 46. Livestock – hauling for others regardless of radius of operation; or transportation of own goods beyond a radius of 160 kilometres (100 miles).
- 47. Logs, Pulpwood – common, contract and private carriers
- 48. Low speed vehicles, including Neighbourhood electric Vehicles (NEVs)
- 49. Motorcycle used for commercial purpose.
- 50. Oilfield services – vehicles or equipment.
- 51. Vehicle modified for enhanced speed or racing.

**RISKS WE DO NOT WRITE**

**As respects the following vehicle uses or types of operations or exposures for which coverage under a contract of automobile insurance is requested:**

- | 52. Any operation used on ice.
- 53. Private buses or passenger vans offering charter services, airport services or other special trip services.
- | 54. Any operation transporting passengers (e.g. taxi, limousine, private buses, school buses, etc.) with U.S.A. exposure.
- 55. Public passenger transportation services including but not limited to taxis, limousines (other than those operated solely in connection with a funeral home operation), school buses and public buses.
- 56. Public truckmen operating beyond a radius of 160 kilometres (100 mile) within Canada, or operating any distance within the U.S.A., other than those operating exclusively under contract with a limited number of customers for transportation of limited types of cargo.
- 57. Sand, gravel, salt, stone or earth - hauling for others or "pay-per-load" arrangement.
- 58. Scrap dealers, automobile recycling or wrecking operations.
- 59. Snowploughs, salters or sanders other than those operating exclusively on private property or rural roads.
- | 60. A towing service is not under a contract and any part of remuneration is dependent upon first come first serve basis.
- | 61. Common and contract carriers transporting cannabis or products containing cannabis.
- 62. Transportation of hazardous goods or waste – all such substances so classified under the Transportation of Dangerous Goods Act, Canada or any similar Act but not including:
  - | ○ Fuel trucks owned and operated by the Insured for own use and carrying no more than 2,300 litres of gasoline or diesel fuel; or
  - Incidental (not more than 100 curies or 3,700 GBq per vehicle) transport of radioactive materials contained within specialized instruments, devices or gauges used for surveying, scientific or exploration purposes.
- | 63. Used in "drive away" or "u-drive" operation.
- 64. Vehicles operating on public or private airfields, airstrips or tarmac
- | 65. Heavy commercial vehicles (more than 11,000 kg) operating in the U.S.A that do not have a functional dash camera installed.
- | 66. Functional dash camera not installed for vehicles 11,000 kg and under where U.S.A exposure is more than 25%.
- | 67. Vehicles travelling regularly to the U.S.A where the U.S.A exposure is more than 50%.

**NEW BUSINESS INFORMATION REQUIREMENTS****Fleet New Business:**

Fleets must be submitted to company for rating. A fleet submission must contain:

- | • Fleet application
- | • Completed description of all vehicles;
  - Coverage, limits and deductibles required;
- | • Use and operation of all vehicles, including details of any USA exposure;
- | • Detailed listing of all claims for at least the past six (6) years (longer if applicable);
  - Name of previous carrier(s) and expiry date;
  - Details of drivers, including age and vehicle assignment, date of birth and driver licence numbers.
  - Carrier profile (if applicable) or full Carrier Profile

The above information is used to assess risk eligibility and to calculate premium.