



**SUPERINTENDENT OF
INSURANCE NOTICE**

NOTICE NUMBER: 01-2019

**TITLE: Standard Endorsement Form Number 39b
Designated Operator Traffic Safety Conviction Rating
Waiver Endorsement**

DATE: March 2019

PURPOSE

The purpose of this Notice is to advise automobile insurers that effective March 13, 2019 [Standard Endorsement Form Number 39b - Designated Operator Traffic Safety Conviction Rating Waiver Endorsement \(SEF 39b\)](#) is authorized for immediate use in Alberta.

BACKGROUND

The Superintendent of Insurance (Superintendent) has issued this new Standard Endorsement Form as a result of various requests from insurers for approval of non-standard endorsements to waive the first ratable traffic safety conviction. Instead of issuing non-standard endorsements, the Superintendent has issued this standard endorsement.

The following information is provided for clarity. Any discrepancy between this information and the SEF 39b wording shall be determined based on the SEF 39b wording, and not based on this information.

- The intent of the SEF 39b is to provide an insured with the means to prevent an automobile insurance premium being increased on all subsequent renewals because of one traffic safety conviction during a policy term when this endorsement is in force.
- At an insurer's discretion, the SEF 39b is available for use with all Alberta Automobile Insurance Policy Forms.

Operator Level Coverage

- The SEF 39b provides coverage at the operator level and not at the vehicle or policy level.
- The SEF 39b provides coverage only to the operator(s) designated in the endorsement.
- The SEF 39b is only available for those operators that generate an individual premium under a contract of automobile insurance.

Eligibility Criteria

- Availability of the SEF 39b is subject to an insurer's established eligibility criteria for the SEF 39b as filed with the Automobile Insurance Rate Board (AIRB).
- Coverage under the SEF 39b is applicable both for risks Grid-rated under the Automobile Insurance Premiums Regulation (regulation) and risks rated under an insurer's AIRB approved rating program.
- Coverage is not available under the SEF 39b for serious traffic safety convictions or Criminal Code convictions:
 - as set out in the regulation; and

- for which an insurer is authorized to rate under its AIRB approved rating program.

Premiums for SEF 39b Do Not Continue after Use

- When an insured receives the benefit of the coverage provided under the SEF 39b at renewal the SEF 39b should be deleted from the offer to renew the policy.
 - An insured cannot be charged a premium during succeeding policy terms in order to maintain the benefit of the SEF 39b once an insured has utilized the SEF 39b coverage.
 - Where an SEF 39b remains on a policy at renewal, after coverage has been utilized, regardless if a premium is charged or not, an insurer will be required to provide a rating waiver for a subsequent traffic safety conviction occurring during a succeeding policy term.

Non-Standard Conviction Waiver Endorsements

- Several insurers are currently authorized to provide similar traffic safety conviction waiver coverages by means of Conditionally Approved Endorsements (CAEs). My office will be contacting those insurers regarding the disposition of those CAEs.
- Automobile insurance rating program filing requirements for the SEF 39b are available from the AIRB at (780) 427-5427 or by email at airb@gov.ab.ca.

If you have any questions regarding this Notice please contact my office at (780) 643-2237 or tbf.insurance@gov.ab.ca.

[ORIGINAL SIGNED]

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Superintendent of Insurance

Superintendent of Insurance

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