

S.P.F. No. 1

# **STANDARD AUTOMOBILE POLICY**

NORTHWEST TERRITORIES

**Effective on and after  
June 13, 2022**

**PLEASE READ YOUR POLICY CAREFULLY**





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**PLEASE READ YOUR POLICY**



## **INSURING AGREEMENTS**

Now Therefore in consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated and subject always to the condition that the Insurer shall be liable only under the section(s) or subsections(s) of the following Insuring Agreements A, B, C for which a premium is specified in item 4 of the application and no other.

### **SECTION A – THIRD PARTY LIABILITY**

The Insurer agrees to indemnify the insured and, in the same manner and to the same extent as if named herein as the insured, every other person who with his consent personally drives the automobile, or personally operates any part thereof, against the liability imposed by law upon the insured or upon any such other person for loss or damage arising from the ownership, use or operation of the automobile and resulting from

#### **BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY**

The Insurer shall not be liable under this section,

- (a) for any liability imposed by any workmen's compensation law upon any person insured by this section; or
- (b) – deleted
- (c) for loss or damage resulting from bodily injury to or the death of any employee of any person insured by this section while engaged in the operation or repair of the automobile; or
- (d) for loss of or damage to property carried in or upon the automobile or to any property owned or rented by, or in the care, custody or control of any person insured by this section; or
- (e) – deleted
- (f) – deleted
- (g) for any amount in excess of the limit(s) stated in Section A of item 4 of the application, and expenditures provided for in the Additional Agreements of this section; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard; or
- (h) for any liability arising from contamination of property carried in the automobile.

**See also General Provisions, Definitions, Exclusions and  
Statutory Conditions of this Policy**

#### **ADDITIONAL AGREEMENTS OF INSURER**

Where indemnity is provided by this section the Insurer shall,

- (1) upon receipt of notice of loss or damage caused to persons or property, serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- (2) defend in the name and on behalf of any person insured by this policy and at the cost of the insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (3) pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limit(s) of the Insurer's liability; and
- (4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and

- (5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit(s) stated in section A of item 4 of the application; and
- (6) not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

### **AGREEMENTS OF INSURED**

Where indemnity is provided by this section, every person insured by this policy

- (a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the insured arising out of the ownership, use or operation of the automobile;
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this policy.

### **SECTION B – ACCIDENT BENEFITS**

**The Insurer agrees to pay to or with respect to each insured person as defined in this section who sustains bodily injury or death by an accident arising out of the use or operation of an automobile:**

#### **SUBSECTION 1 – MEDICAL, REHABILITATION AND FUNERAL EXPENSES**

1. All reasonable expenses incurred within four years from the date of the accident as a result of such injury for necessary medical, surgical, dental, chiropractic, where the chiropractic services are recommended by a legally qualified medical practitioner, hospital, professional nursing and ambulance service and for any other service within the meaning of insured services under the *Territorial Hospital Insurance Services Act* and for such other services and supplies which are, in the opinion of the legally qualified medical practitioner of the insured person's choice and that of the Insurer's medical advisor, essential for the treatment, occupational retraining or rehabilitation of said person, to the limit of \$25,000 per person.
2. Funeral expenses incurred up to the amount of \$1,000 in respect of the death of any one person.

The Insurer shall not be liable under this subsection for those portions of such expenses payable or recoverable under any medical, surgical, dental or hospitalization plan or law or, except for similar insurance provided under another automobile insurance contract, under any other insurance contract or certificate issued to or for the benefit of, any insured person.

#### **SUBSECTION 2 – DEATH BENEFITS AND LOSS OF INCOME PAYMENTS**

##### **Part I – Death Benefits**

- A. Subject to the provisions of this Part, for death that ensues within 180 days of the accident or within 104 weeks of the accident if there has been continuous disability during that period, an amount – based on the status at the date of the accident of the deceased in a household where a spouse or dependants survive – as follows:

Head of the household..... \$10,000

Spouse of the Head of the Household ..... \$10,000

Dependant within the meaning of Subparagraph b  
of subparagraph 3 of paragraph B ..... \$ 2,000

In addition, with respect to death of the head of the household, where there are two or more survivors – spouse or dependents –

the principal sum payable is increased \$2,500 for each survivor other than the first and where there is one survivor – spouse or dependant – the principal sum payable is increased \$1,500.

B. For the purposes of this Part,

- (1) “Spouse of the head of the household” means the spouse with the lesser income from employment in the twelve months preceding the date of the accident.
- (2) “spouse” means either of a man and woman who,
  - (a) are married to each other;
  - (b) are married to each other by a marriage that is voidable and has not been voided by a judgment of nullity; or
  - (c) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or have cohabited within the preceding year,and includes,
  - (d) either of a man and woman not being married to each other who have cohabited,
    - (i) continuously for a period of not less than three years, or
    - (ii) in a relationship of some permanence where there is a child of whom they are the natural or adoptive parents,and have so cohabited within the preceding year;
- (3) “dependant” means,
  - (a) the spouse of the head of the household who resides with the head of the household;
  - (b) a person,
    - (i) under the age of nineteen years who resides with and is principally dependent upon the head of the household or the spouse of the head of the household for financial support,
    - (ii) nineteen years of age or over who, because of mental or physical infirmity, is principally dependent upon the head of the household or the spouse of the head of the household for financial support, or
    - (iii) nineteen years of age or over who, because of full time attendance at a school, college or university, is principally dependent upon the head of the household or the spouse of the head of the household for financial support; or
  - (c) a parent or relative,
    - (i) of the head of the household, or
    - (ii) of the spouse of the head of the household,residing in the same dwelling premises and principally dependent upon the head of the household or the spouse of the head of the household for financial support.
- (4) The total amount payable shall be paid to a person who is the head of the household or the spouse of the head of the household, as the case may be, if that person survives the deceased by at least thirty days.
- (5) The total amount payable with respect to death where no head of the household or spouse survives the deceased by at least thirty days shall be divided equally among the surviving dependants.
- (6) No amount is payable on death under this Part if no head of the household or dependant survives the deceased by at least thirty days.

## Part II – Loss of Income

Subject to the provisions of this Part, a weekly payment for the loss of income from employment for the period during which the insured person suffers substantial inability to perform the essential duties of his occupation or employment, provided,

- (a) such person was employed at the date of the accident;
- (b) within thirty days from the date of the accident the insured person suffers substantial inability to perform the essential duties of his occupation or employment; and
- (c) no payments shall be made for the first seven days of such inability or for any period in excess of 104 weeks except that if, at the end of the 104 week period, it has been established that such injury continuously prevents such person from engaging in any occupation or employment for which he is reasonably suited by education, training or experience, the Insurer agrees to make such weekly payments for the duration of such inability to perform the essential duties.

**Amount of Weekly Payment** – The amount of a weekly payment shall be the lesser of,

- (a) \$140 per week; or
- (b) eighty per cent of the insured person's gross weekly income from employment, less any payments for loss of income from employment received by or available to such person under,
  - (i) the laws of any jurisdiction, and
  - (ii) wage or salary continuation plans available to the person by reason of his employment,

but no deduction shall be made for any increase in such payment due to a cost of living adjustment subsequent to the insured person's substantial inability to perform the essential duties of his occupation or employment.

For the purpose of this Part,

- (1) there shall be deducted from an insured person's gross weekly income any payments received by or available to him from part-time or other employment or occupation subsequent to the date of the accident;
- (2) a principal unpaid housekeeper residing in the household not otherwise engaged in occupation or employment for wages or profit, if injured, shall be deemed disabled only if completely incapacitated and unable to perform any of his or her household duties and, while so incapacitated, shall receive a benefit at the rate of \$100 per week for not more than twelve weeks;
- (3) a person shall be deemed to be employed,
  - (a) if actively engaged in an occupation or employment for wages or profit at the date of the accident; or
  - (b) if nineteen years of age or over and under the age of sixty-five years, so engaged for any six months out of the preceding twelve months;
- (4) A person receiving a weekly payment who, within thirty days of resuming his occupation or employment is unable to continue such occupation or employment as a result of such injury, is not precluded from receiving further weekly payments; and
- (5) Where the payments for loss of income payable hereunder, together with payments for loss of income under another contract of insurance other than a contract of insurance relating to any wage or salary continuation plan available to an insured person by reason of his employment, exceed the actual loss of income of the insured person, the Insurer is liable only for that proportion of the payments for loss of income stated in this policy that the actual loss of income of the person insured bears to the aggregate of the payments for loss of income payable under all such contracts.



### SUBSECTION 3 – UNINSURED MOTORIST COVER

All sums that

- (a) a person insured under the contract is legally entitled to recover from the owner or driver of an uninsured automobile or unidentified automobile as damages for bodily injuries resulting from an accident involving an automobile;
- (b) any person is legally entitled to recover from the owner or driver of an uninsured automobile or unidentified automobile as damages for bodily injury to or the death of a person insured under the contract resulting from an accident involving an automobile; and
- (c) a person insured under the contract is legally entitled to recover from the identified owner or driver of an uninsured automobile as damages for accidental damage to the insured automobile or its contents, or to both the insured automobile and its contents, resulting from an accident involving an automobile.

#### 1. **Definitions:**

For the purposes of this section,

- (a) “insured automobile” means the automobile as defined or described under the contract;
- (b) “person insured under the contract” means,
  - (i) in respect of a claim for damage to the insured automobile, the owner of the automobile;
  - (ii) in respect of a claim for damage to the contents of the insured automobile, the owner of the contents;
  - (iii) in respect of a claim for bodily injury or death, notwithstanding paragraph 138(c),
    - (a) any person while an occupant of the insured automobile,
    - (b) the insured and, if residing in the same dwelling premises as the insured, the insured’s spouse and any dependent relative of either,
      - (1) while an occupant of an uninsured automobile, or
      - (2) while not the occupant of an automobile or of railway rolling stock that runs on rails, who is struck by an uninsured or unidentified automobile,
    - (c) if the insured is a corporation, unincorporated association or partnership, any director, officer, employee or partner of the insured for whose regular use the insured automobile is furnished, and, if residing in the same dwelling premises as such person, the person’s spouse and any dependent relative of the person or the spouse,
      - (1) while an occupant of an uninsured automobile, or
      - (2) while not the occupant of an automobile or of railway rolling stock that runs on rails, who is struck by an uninsured or unidentified automobile,where such director, officer, employee or partner or his or her spouse is not the owner of an automobile insured under a contract;
- (c) “unidentified automobile” means an automobile with respect to which the identity of either the owner or driver cannot be ascertained;
- (d) “uninsured automobile” means an automobile neither the owner nor driver of which has applicable and collectable bodily injury liability and property damage liability insurance for its ownership, use or operation, but does not include an automobile owned by or registered in the name of the insured or the insured’s spouse.

## **2. Qualification of Dependent Relative**

Where a dependent relative referred to in subparagraph (1)(c)(ii) or (iii) of the definition of “person insured under the contract”:

- (a) is the owner of an automobile insured under a contract, or
- (b) sustains bodily injury or dies as the result of an accident while the occupant of his own uninsured automobile, such relative shall be deemed not to be a dependent relative for the purposes of this section.

The following terms, and conditions, provisions, exclusions and limits prescribed by the Regulations made under Section 156(4) of The Insurance Act apply to the coverage under this Subsection of this Section B.

## **3. Limits and Exclusions**

- (1) The Insurer shall not be liable to make any payment,
  - (a) for any amount in excess of the minimum limits for automobile liability insurance in the jurisdiction in which the accident occurs regardless of the number of persons injured or killed or the damage to the automobile and contents, and in no event is the insurer liable for any amount in excess of the minimum limits set out in section 144 of the Act;
  - (b) where a person insured under the contract is entitled to recover money under any valid policy of insurance, other than money payable on death, except for the difference between such entitlement and the relevant minimum limits determined under paragraph (a);
  - (c) where the person insured under the contract is entitled to recover money under the third party liability section of a motor vehicle liability policy;
  - (d) to any person involved in an accident in a jurisdiction in which a valid claim may be made for such payment against an unsatisfied judgment or similar fund;
  - (e) for any loss or damage caused directly or indirectly by radioactive material; or
  - (f) in respect of damages for accidental damage to the insured automobile and its contents, for the first \$100 of any loss in any one occurrence nor any amount in excess of \$25,000.
- (2) Where by reason of any one accident, liability results from bodily injury or death and from damage to the insured automobile or its contents,
  - (a) claims arising out of bodily injury or death have priority to the extent of ninety-five per cent of the amount payable over claims arising out of damages to the insured automobile and its contents; and
  - (b) claims arising out of damage to the insured automobile and its contents have priority to the extent of five per cent over claims arising out of bodily injury or death.

## **4. Accidents Involving Unidentified Automobiles**

Where an unidentified automobile has caused bodily injury or death to a person insured under the contract,

- (a) the person insured under the contract, or someone on his behalf, shall report the accident within twenty-four hours, or as soon as reasonably practicable after the accident, to a police officer and shall file with the insurer within thirty days, or as soon as reasonably practicable after the accident, a written statement that the person insured under the contract or his representative has a cause or causes of action arising out of such accident for damages against a person or persons whose

identity cannot be ascertained and setting out the facts in support of the cause or causes of action; and

- (b) at the request of the insurer, the person insured under the contract, or his representative, shall make available for inspection the automobile of which the person insured under the contract was an occupant at the time of the accident.

## **5. Determination of Legal Liability and Amount of Damages**

- (1) The determination as to whether the person insured under the contract is legally entitled to recover damages and, if so entitled, the amount of the damages must be determined,
  - (a) by agreement between the person insured under the contract and the insurer;
  - (b) at the request of the person insured under the contract, and with the consent of the insurer, by arbitration by some person to be chosen by both parties, or if they cannot agree on one person, then by two persons, one to be chosen by the person insured under the contract and the other by the insurer and a third person to be appointed by the persons so chosen; or
  - (c) by a court of competent jurisdiction in the Territories in an action brought against the insurer by the person insured under the contract, and unless the determination has been previously made in a contested action by a court of competent jurisdiction in the Territories, the insurer may include in its defence the determination and amount of liability.
- (2) The *Arbitration Act* applies to every arbitration under paragraph (1)(b) of this section.

## **6. Notice of Legal Action**

- (1) Where the person insured under the contract or his representative commences a legal action for damages against any other person owning or operating an automobile involved in the accident, a copy of the statement of claim or other proceeding shall be delivered or sent by registered mail immediately to the chief agency or head office of the insurer in the Territories.
- (2) Subject to section 2 of this Schedule, where the person insured under the contract or his representative obtains a judgment against the other person referred to in subsection (1) but is unable to recover, or to recover fully the amount of that judgment, the insurer shall, on request, pay the amount of that judgment or, as the case may be, the difference between the amount recovered under that judgment and the amount of that judgment.
- (3) Before making any payment under subsection (2), the insurer may require that the person insured under the contract or his representative assign his judgment, or the balance of his judgment, as the case may be, to the insurer and the insurer shall account to the person insured under the contract for any recovery it makes under that judgment for any amount in excess of the amount paid to that person and its costs.

## **7. Notice and Proof of Claim**

- (1) In respect of a claim for bodily injuries or death, the person insured under the contract or his representative, or the person otherwise entitled to make claim or his representative, shall,
  - (a) give written notice of claim to the insurer by personal service on, or registered mail sent to, the chief agency or head office of the insurer in the Territories, within thirty days from the date of accident or as soon as is reasonably practicable;

- (b) within ninety days from the date of the accident for which the claim is made, or as soon as reasonably practicable, furnish to the insurer such proof of claim as is reasonably possible in the circumstances of the happening of, and the loss occasioned by, the accident;
  - (c) if so required by the insurer, furnish a certificate as to the cause and nature of the accident for which the claim is made and as to the duration of the disability caused by the accident from a medical practitioner legally qualified to practice; and
  - (d) give details to the insurer of any policies of insurance, other than policies of life insurance, to which such person may have recourse.
- (2) In respect of a claim for damage to the insured automobile or its contents, or to both the insured automobile and its contents, the provisions of statutory condition 4 of sub-section 129(1) of the Act apply with necessary modifications to the insured automobile and to any contents with respect to which a claim is made.

## **8. Medical Reports**

- (1) The insurer has the right and the claimant shall afford to the insurer an opportunity to examine the person of the person insured under the contract when and as often as it reasonably requires while the claim is pending, and also, in the case of the death of the person insured under the contract, to make an autopsy subject to the law relating to autopsies.
- (2) At the request of the claimant or his representative, the insurer shall supply to the claimant or his representative, as the case may be, a copy of any medical or autopsy report obtained as a result of an examination or autopsy under subsection (1).

## **9. When Moneys Payable**

- (1) No person shall bring an action to recover the amount of a claim provided for under the contract under subsection 156(4) of the Act unless the requirements of this Schedule have been complied with.
- (2) Every action or proceeding against the insurer for the recovery of a claim must be commenced within two years from the date on which the cause of action against the insurer arose and not afterwards.

## **10. Limitation of Benefit Payable**

Where a person is entitled to benefits under more than one contract providing insurance of the type set forth in subsection 156(4) of the Act, he or his representative or any person claiming through or under him may recover only an amount equal to one benefit.

## **11. Application of General Provisions**

- (1) Insofar as applicable, the general provisions, definitions, exclusions and statutory conditions as contained in a motor vehicle liability policy also apply to payments under the contract under subsection 156(4) of the Act.
- (2) Special Provisions, Definitions and Exclusions of Section B of this policy do not apply to the insurance provided by this Subsection 3.

## **SPECIAL PROVISIONS, DEFINITIONS, AND EXCLUSIONS OF SECTION B**

### **(1) "Insured person" defined**

In this Section, the words "insured person" mean,

- (a) any person while an occupant of the described automobile or of a newly acquired or temporary substitute automobile as defined in this policy;

- (b) the insured and, if residing in the same dwelling premises as the insured, his or her spouse and any dependent relative of either while an occupant of any other automobile; provided that,
  - (i) the insured is an individual or are husband and wife;
  - (ii) such person is not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident;
  - (iii) such other automobile is not owned or regularly or frequently used by the insured or by any person or persons residing in the same dwelling premises as the insured;
  - (iv) such other automobile is not owned, hired or leased by an employer of the insured or by an employer of any person or persons residing in the same dwelling premises as the insured; and
  - (v) such other automobile is not used for carrying passengers for compensation or hire or for commercial delivery;
- (c) in subsections (1) and (2) of this section only, any person, not the occupant of an automobile or of railway rolling-stock that runs on rails, who is struck, in Canada, by the described automobile or a newly acquired or temporary substitute automobile as defined in the policy;
- (d) in subsections (1) and (2) of this section only, the named insured, if an individual and his or her spouse and any dependent relative residing in the same dwelling premises as the named insured, not the occupant of an automobile or of railway rolling-stock that runs on rails, who is struck by any other automobile; provided that,
  - (i) such person is not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident;
  - (ii) that automobile is not owned or regularly or frequently used by the insured or by any person or persons residing in the same dwelling premises as the named insured;
  - (iii) that automobile is not owned, hired, or leased by an employer of the insured or by an employer of any person or persons residing in the same dwelling premises as the named insured;
- (e) if the insured is a corporation, unincorporated association, or partnership, any employee or partner of the insured for whose regular use the described automobile is furnished, and his or her spouse and any dependent relative of either, residing in the same dwelling premises as such employee or partner, while an occupant of any other automobile; and
- (f) in subsections (1) and (2) of this section only, any employee or partner of the insured, for whose regular use the described automobile is furnished, and his or her spouse and any dependent relative of either, residing in the same dwelling premises as such employee or partner, while the occupant of an automobile or of railway rolling-stock that runs on rails, who is struck by any other automobile; provided that,
 

in respect of (e) and (f) above,

  - (i) neither such employee nor partner or his or her spouse is the owner of an automobile;
  - (ii) such person is not engaged in the business of selling, repairing, maintaining, servicing, storing, or parking automobiles at the time of the accident;
  - (iii) such other automobile is not owned or regularly or frequently used by the employee or partner, or by any person or persons residing in the same dwelling premises as such employee or partner;
  - (iv) such other automobile is not owned, hired, or leased by the insured or by an employer of any person or persons

residing in the same dwelling premises as such employee or partner of the insured;

in respect of (e) above only,

- (v) such other automobile is not used for carrying passengers for compensation or hire or for commercial delivery.

## (2) Exclusions

- (a) The Insurer shall not be liable under this Section for bodily injury to or death of any person,
  - (i) resulting from the suicide of such person or attempted suicide, whether sane or insane; or
  - (ii) who is entitled to receive the benefits of any workers' compensation law or plan; or
  - (iii) caused directly or indirectly by radioactive material;
- (b) The Insurer shall not be liable under subsection 1 or Part II of subsection 2 of this section for bodily injury or death,
  - (i) sustained by any person who, at the time of the accident, was driving or operating the automobile while in a condition for which they are convicted of an offence under section 320.14 or under or in connection with circumstances for which they are convicted of an offence under section 320.15 of the **Criminal Code (Canada)** unless they establish that their impairment by alcohol or drug were not the proximate cause of the accident; or
  - (ii) sustained by any person driving the automobile who is not for the time being either authorized by law or qualified to drive the automobile,
  - (iii) sustained by the insured during or in connection with circumstances for which the insured is convicted of an offence under section 320.13 or 320.17 of the **Criminal Code (Canada)** unless the insured establishes that such circumstances were not the proximate cause of the accident.

## (3) Notice and proof of claim

The insured person or his agent, or the person otherwise entitled to make claim or his agent, shall,

- (a) give written notice of claim to the Insurer by delivery thereof or by sending it by registered mail to the chief agency or head office of the Insurer in the Territory, within thirty days from the date of the accident or as soon as practicable thereafter;
- (b) within ninety days from the date of the accident for which the claim is made, or as soon as practicable thereafter, furnish to the Insurer such proof of claim as is reasonably possible in the circumstances of the happening of the accident and the loss occasioned thereby; and
- (c) if so required by the Insurer, furnish a certificate as to the cause and nature of the accident for which the claim is made and as to the duration of the disability caused thereby from a medical practitioner legally qualified to practise.

## (4) Medical reports

The Insurer has the right and the claimant shall afford to the Insurer, an opportunity to physically examine the insured person when and as often as it reasonably requires while the claim is pending, and also, in the case of the death of the insured person, to make an autopsy subject to the law relating to autopsies.

## (5) Release

Notwithstanding any release provided for under the relevant sections of the Insurance Act, the Insurer may demand, as a condition precedent to payment of any amount under this section of the policy, a release in favour of the insured and the Insurer from

liability to the extent of such payment from the insured person or his personal representative or any other person.

**(6) When moneys payable**

- (a) All amounts payable under this section, other than benefits under Part II of subsection (2), shall be paid by the Insurer within thirty days after it has received proof of claim. The initial benefits for loss of income under Part II of subsection (2) shall be paid within thirty days after the Insurer has received proof of claim, and payments shall be made thereafter within each thirty-day period while the Insurer remains liable for payments if the insured person, whenever required to do so, furnishes prior to payment proof of continuing disability.
- (b) No person shall bring an action to recover the amount of a claim under this section unless the requirements of provisions 3 and 4 of this subsection are complied with, nor until the amount of the loss has been ascertained as provided in this section.
- (c) Every action or proceeding against the Insurer for the recovery of a claim under this section shall be commenced within two years from the date on which the cause of action arose and not afterwards.

**(7) Limitation of benefit payable**

Where a person is entitled to benefits under more than one contract providing insurance of the type set forth in subsection (1) or (2), he or his personal representative or any person claiming through or under him may recover only an amount equal to one benefit.

In so far as applicable, the general provisions, exclusions and statutory conditions of the policy also apply.

**SECTION C – LOSS OF OR DAMAGE  
TO INSURED AUTOMOBILE**

The Insurer agrees to indemnify the insured against direct and accidental loss of or damage to the automobile, including its equipment

**Subsection 1 – ALL PERILS – from all perils;**

**Subsection 2 – COLLISION OR UPSET – caused by collision with another object or by upset;**

**Subsection 3 – COMPREHENSIVE – from any peril other than by collision with another object or by upset;**

The words “another object” as used in this subsection 3 shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any object therein or thereon. Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage caused by perils for which insurance is provided under this subsection 3.

**Subsection 4 – SPECIFIED PERILS – caused by fire, lightning, theft or attempt thereat, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water;**

**DEDUCTIBLE CLAUSE**

Each occurrence causing loss or damage covered under any subsection of section C except loss or damage caused by fire or lightning or theft of the entire automobile covered by such subsection, shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated in the applicable subsection of section C of item 4 of the application.

## EXCLUSIONS

### The Insurer shall not be liable,

- (1) under any subsection of section C for loss or damage
  - (a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of the automobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
  - (b) caused by the conversion, embezzlement, theft or secretion by any person in lawful possession of the automobile under a mortgage, conditional sale, lease or other similar written agreement; or
  - (c) caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretense; or
  - (d) caused directly or indirectly by contamination by radioactive material; or
  - (e) to contents of trailers or to rugs or robes; or
  - (f) to tapes and equipment for use with a tape recorder when such tapes or equipment are detached therefrom; or
  - (g) where the insured drives or operates the automobile
    - (i) while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile;
    - (ii) an insured may not recover from the insured's insurer any amount with respect to damage to the insured's own automobile or injuries sustained by the insured while in a condition for which the insured is convicted of an offence under section 320.14 or under or in connection with circumstances for which the insured is convicted of an offence under section 320.15 of the **Criminal Code (Canada)** unless the insured establishes that the insured's impairment by alcohol or drug was not the proximate cause of the accident; or
    - (iii) an insured may not recover from the insured's insurer any amount with respect to damage to the insured's own automobile or injuries sustained by the insured during or in connection with circumstances for which the insured is convicted of an offence under section 320.13 or 320.17 of the **Criminal Code (Canada)** unless the insured establishes that such circumstances were not the proximate cause of the accident; or
  - (h) where the insured permits, suffers, allows or connives at the use of the automobile by any person contrary to the provisions of (g); or
- (2) under subsections 3 (Comprehensive), 4 (Specified Perils) only, for loss or damage caused by theft by any person or persons residing in the same dwelling premises as the insured, or by any employee of the insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not.

**See also General Provisions, Definitions, Exclusions and Statutory Conditions of this policy**

### ADDITIONAL AGREEMENTS OF INSURER

- (1) Where loss or damage arises from a peril for which a premium is specified under a subsection of this section, the Insurer further agrees:
  - (a) to pay general average, salvage and fire department charges and customs duties of Canada or of the United States of America for which the Insured is legally liable;



- (b) to waive subrogation against every person who, with the insured's consent, has care, custody or control of the automobile, provided always that this waiver shall not apply to any person (1) having such care, custody or control in the course of the business of selling, repairing, maintaining, servicing, storing or parking automobiles, or (2) who has (i) committed a breach of any condition of this policy or (ii) driven or operated the automobile in the circumstances referred to in (i) or (ii) of paragraph (g) of the Exclusions to Section C of this policy;
- (c) to indemnify the insured and any other person who personally drives a temporary substitute automobile as defined in the General Provisions of this policy against the liability imposed by law or assumed by the insured or such other person under any contract or agreement for direct and accidental physical loss or damage to such automobile and arising from the care, custody and control thereof; provided always that:
  - (i) such indemnity is subject to the deductible clause and exclusions of each such subsection;
  - (ii) if the owner of such automobile has or places insurance against any peril insured by this section, the indemnity provided herein shall be limited to the sum by which the deductible amount, if any, of such other insurance exceeds the deductible amount stated in the applicable subsection of this policy;
  - (iii) the Additional Agreements under section A of this policy shall, insofar as they are applicable, extend to the indemnity provided herein.
- (2) **Loss of Use by Theft** – Where indemnity is provided under subsections 1, 3 or 4 of section C hereof the Insurer further agrees, following a theft of the entire automobile covered thereby, to reimburse the insured for expense not exceeding \$25.00 for any one day nor totalling more than \$750.00 incurred for the rental of a substitute automobile including taxicabs and public means of transportation.

Reimbursement is limited to such expense incurred during the period commencing seventy-two hours after such theft has been reported to the Insurer or the police and terminating, regardless of the expiration of the policy period, (a) upon the date of the completion of repairs to or the replacement of the property lost or damaged, or (b) upon such earlier date as the Insurer makes or tenders settlement for the loss or damage caused by such theft.

## **GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS**

### **1. Territory**

This policy applies only while the automobile is being operated, used, stored or parked within Canada, the United States of America or upon a vessel plying between ports of those countries.

### **2. Occupant Defined**

In this policy the word "occupant" means a person driving, being carried in or upon or entering or getting on to or alighting from an automobile.

### **3. Consent of Owner**

No person shall be entitled to indemnity or payment under this policy who is an occupant of any automobile which is being used without the consent of the owner thereof.

### **4. Garage Personnel Excluded**

No person who is engaged in the business of selling, repairing, maintaining, storing, servicing or parking automobiles shall be entitled to indemnity or payment under this policy for any loss, damage, injury or death sustained while engaged in the use or operation of or while working upon the automobile in the course of that business or while so engaged as an occupant of the described

automobile or a newly acquired automobile as defined in this policy, unless the person is the owner of such automobile or his employee or partner.

5. **Automobile Defined**

In this policy except where stated to the contrary the words "the automobile" mean:

**Under section A (Third Party Liability), B (Accident Benefits), C (Loss of or Damage to Insured Automobile)**

- (a) The Described Automobile – an automobile, trailer or semi-trailer specifically described in the policy or within the description of insured automobiles set forth therein;
- (b) A Newly Acquired Automobile – an automobile, ownership of which is acquired by the insured and within fourteen days following the date of its delivery to him, notified to the Insurer in respect of which the insured has no other valid insurance, if either it replaces an automobile described in the application or the Insurer insures (in respect of the section or subsection of the Insuring Agreements under which claim is made) all automobiles owned by the insured at such delivery date and in respect of which the insured pays any additional premium required; provided however, that insurance hereunder shall not apply if the insured is engaged in the business of selling automobiles;

and under sections A (Third Party Liability), B (Accident Benefits) only

- (c) A Temporary Substitute Automobile – an automobile not owned by the insured, nor by any person or persons residing in the same dwelling premises as the insured, while temporarily used as the substitute for the described automobile which is not in use by any person insured by this policy, because of its breakdown, repair, servicing, loss, destruction or sale;
- (d) Any automobile of the private passenger or station wagon type, other than the described automobile, while personally driven by the insured, or by his or her spouse if residing in the same dwelling premises as the insured, provided that
  - (i) the described automobile is of the private passenger or station wagon type;
  - (ii) the insured is an individual or are husband and wife;
  - (iii) neither the insured nor his or her spouse is driving such automobile in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles;
  - (iv) such other automobile is not owned or regularly or frequently used by the insured or by any person or persons residing in the same dwelling premises as the Insured;
  - (v) such other automobile is not owned, hired or leased by an employer of the insured or by any person or persons residing in the same dwelling premises as the Insured;
  - (vi) such other automobile is not used for carrying passengers for compensation or hire or for commercial delivery;
- (e) if the insured is a corporation, unincorporated association or registered co-partnership, any automobile of the private passenger or station wagon type, other than the described automobile, while personally driven by the employee or partner for whose regular use the described automobile is furnished, or by his or her spouse if residing in the same dwelling premises as such employee or partner, provided that
  - (i) neither such employee or partner or his or her spouse is the owner of an automobile of the private passenger or station wagon type;
  - (ii) the described automobile is of the private passenger or station wagon type;
  - (iii) neither such employee, partner or spouse is driving the automobile in connection with the business of selling,

repairing, maintaining, servicing, storing or parking automobiles;

- (iv) such other automobile is not owned, hired or leased or regularly or frequently used by the insured or such employee or by any partner of the insured or by any persons residing in the same dwelling premises as any of the afore-mentioned persons;
- (v) such other automobile is not used for carrying passengers for compensation or hire or commercial delivery;
- (f) Trailers – any trailer used in connection with the automobile.

#### **6. Two or More Automobiles**

- (a) When two or more automobiles are described hereunder (i) with respect to the use or operation of such described automobiles, each automobile shall be deemed to be insured under a separate policy; (ii) with respect to the use or operation of an automobile not owned by the insured, the limit of the insurer's liability shall not exceed the highest limit applicable to any one described automobile;
- (b) When the insured owns two or more automobiles which are insured as described automobiles under two or more automobile insurance policies, the limit of the insurer under this policy with respect to the use or operation of an automobile not owned by the insured shall not exceed the proportion that the highest limit applicable to any one automobile described in this policy bears to the sum of the highest limits applicable under each policy and in no event shall exceed such proportion of the highest limit applicable to any one automobile under any policy;
- (c) A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the limit(s) of liability under Insuring Agreements A and B and separate automobiles with respect to the limit(s) of liability, including any deductible provisions, under Insuring Agreement C.

#### **7. War Risks Excluded**

The Insurer shall not be liable under section B or C of this policy for any loss, damage, injury or death caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by operation of armed forces while engaged in hostilities, whether war be declared or not.

#### **8. Excluded Uses**

Unless coverage is expressly given by an endorsement of this policy, the Insurer shall not be liable under this policy while

- (a) the automobile is rented or leased to another, provided that the use by an employee of his automobile on the business of his employer and for which he is paid shall not be deemed the renting or leasing of the automobile to another;
- (b) the automobile is used to carry explosives, or to carry radioactive material for research, education, development or industrial purposes, or for the purposes incidental thereto;
- (c) the automobile is used as a taxicab, public omnibus, livery, jitney or sightseeing conveyance or for carrying passengers for compensation or hire; provided that the following uses shall not be deemed to be the carrying of passengers for compensation or hire:
  - (i) the use by the insured of his automobile for the carriage of another person in return for the former's carriage in the automobile of the latter;
  - (ii) the occasional and infrequent use by the insured of his automobile for the carriage of another person who shares the cost of the trip;

- (iii) the use by the insured of his automobile for the carriage of a temporary or permanent domestic servant of the insured or his spouse;
- (iv) the use by the insured of his automobile for the carriage of clients or customers or prospective clients or customers;
- (v) the occasional and infrequent use by the insured of his automobile for the transportation of children to or from school or school activities conducted within the educational program.

### **STATUTORY CONDITIONS**

**“In these statutory conditions, unless the context otherwise requires, the word “insured” means a person insured by this contract whether named or not and the words “insured person” mean an insured and include any person to whom benefits may be payable under “SECTION B – ACCIDENT BENEFITS” set out in the Schedule to the *Insurance Act*”.**

#### **Material Change in Risk**

1. (1) The insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within his knowledge.
- (2) Without restricting the generality of the foregoing, the words “change in the risk material to the contract” include:
  - (a) any change in the insurable interest of the insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the *Bankruptcy and Insolvency Act* (Canada);

and in respect of insurance against loss of or damage to the automobile,

  - (b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;
  - (c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

#### **Prohibited Use by Insured**

2. (1) The insured shall not drive or operate the automobile,
  - (a) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
  - (b) while his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
  - (c) while he is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or
  - (d) for any illicit or prohibited trade or transportation; or
  - (e) in any race or speed test.

#### **Prohibited Use by Others**

- (2) The insured shall not permit, suffer, allow or connive at the use of the automobile,
  - (a) by any person,
    - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile, or
    - (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this

contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or

- (b) by any person who is a member of the household of the insured while his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
- (c) for any illicit or prohibited trade or transportation; or
- (d) in any race or speed test.

### **Requirements Where Loss or Damage to Persons or Property**

3. (1) The insured shall,
- (a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
  - (b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
  - (c) forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant.
- (2) The insured shall not,
- (a) voluntarily assume any liability or settle any claim except at his own cost; or
  - (b) interfere in any negotiations for settlement or in any legal proceeding.
- (3) The insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

### **Requirements Where Loss or Damage to Automobile**

4. (1) Where loss of or damage to the automobile occurs, the insured shall, if the loss or damage is covered by this contract,
- (a) promptly give notice thereof in writing to the insurer with the fullest information obtainable at the time;
  - (b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
  - (c) deliver to the insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of loss or damage, the interest of the insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any willful act or neglect, procurement, means or connivance of the insured.
- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.
- (3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,
- (a) without the written consent of the Insurer; or

- (b) until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

### **Examination of Insured**

- (4) The insured shall submit to examination under oath and shall produce for examination at such reasonable place and time as is designated by the insurer or its representative all documents in his possession or control that relate to the matters in question, and he shall permit extracts and copies thereof to be made.

### **Insurer Liable for Cash Value of Automobile**

- (5) The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

### **Repair or Replacement**

- (6) Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

### **No Abandonment; Salvage**

- (7) There shall be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.

### **In Case of Disagreement**

- (8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

### **Inspection of Automobile**

- 5. The insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

### **Time and Manner of Payment of Insurance Money**

- 6. (1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of statutory condition 4, within fifteen days after the award is rendered by the appraisers.

### **When Action May Be Brought**

- (2) The insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of statutory conditions 3 and 4 are complied with nor until the amount of

the loss has been ascertained as therein provided or by a judgement against the insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

### **Limitation of Actions**

- (3) Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within two years next after the cause of action arose and not afterwards.

### **Who May Give Notice and Proof of Claim**

7. Notice of claim may be given and proofs of claim may be made by the agent of the insured named in this contract in case of absence or inability of the insured to give the notice or to make the proof, such absence or inability being satisfactorily accounted for or, in the like case or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

### **Termination**

8. (1) This contract may be terminated,
  - (a) by the Insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered; or
  - (b) by the insured at any time on request.
- (2) Where this contract is terminated by the Insurer,
  - (a) the Insurer shall refund the excess of premium actually paid by the insured over the *pro rata* premium for the expired time, but in no event shall the *pro rata* premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order, cheque payable at par or electronic funds transfer.
- (5) The fifteen days mentioned in clause (a) of subcondition 1 of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### **Notice**

9. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Territories. Written notice may be given to the insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.



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