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SASKATCHEWAN EXTENSION AUTOMOBILE POLICY

THIS POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

INTRODUCTION

On the understanding that the information you have given us in your application for this policy is correct, we provide the insurance described in this booklet, subject to the limits, terms, conditions, provisions and exclusions stated herein, in return for payment of the premium.

This policy is a contract between you and us. It consists of this booklet and the Coverage Summary page. The Coverage Summary page shows your name and/or organization, particulars of your automobile(s) as well as the coverages, deductibles, endorsements and policy limits that apply. This booklet describes the various coverages and sets out the terms, exclusions and conditions that apply to your insurance. It is divided into 5 parts as follows:

Part 1 - General Definitions: defines certain words and terms used throughout the policy.

Part 2 – Automobiles to Which this Policy Applies: tells what Coverages apply to your own automobile(s) described in this policy and to certain automobiles you do not own but for which you are responsible.

Part 3 – General Provisions and Exclusions: sets out certain provisions and exclusions that apply to all policy coverages.

Part 4 – Coverages: describes the coverages that are available. There are four coverages sections, as follows:

Section A (Third Party Liability) - describes insurance for your legal liability and the legal liability of certain other persons for bodily injury, death or property damage caused by an automobile you own or use.

Section B (Accident Benefits) - describes benefits payable to certain persons who are injured or killed in an automobile accident.

Section C (Loss or damage to your automobile) - describes the insurance for loss of or damage to your automobile.

Section D (Endorsements) – consists of endorsements which apply if shown on the Coverage Summary page. An endorsement may extend or limit a particular coverage, or add new coverage.

You may not have insurance for all the coverages described in Part 4. You are insured only for the coverages for which a premium is shown on the Coverage Summary page.

All limits and amounts shown in this policy are in Canadian funds.

Part 5 – Statutory Conditions: lists the conditions required by *The Saskatchewan Insurance Act* for all automobile insurance policies written in Saskatchewan.

In providing the Insurance set out in this policy, we rely on the accuracy and truth of any information you give us at our request. Misrepresentation or violation of conditions of this policy renders claims invalid. *The Saskatchewan Insurance Act* includes the following provision:

Where:

(a) an applicant for a contract:

- (i) gives false particulars of the described automobile to be insured to the prejudice of the insurer; or**
- (ii) knowingly misrepresents or fails to disclose in the application any fact required to be stated therein;**

(b) the insured contravenes a term of the contract or commits a fraud; or

(c) the insured willfully makes a false statement in respect of a claim under the contract;

a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.

PART 1 - GENERAL DEFINITIONS

The following definitions apply to all parts of this policy unless the word or term is otherwise defined in the policy. Words and terms which are defined here, other than the words "you", "your", "we", "our" or "us", appear in quotation marks throughout the rest of this booklet, except in the Statutory Conditions.

When used in this policy:

"all terrain vehicle" means a vehicle defined as an All Terrain Vehicle in *The All Terrain Vehicles Act (Saskatchewan)*.

"the insured" means a person insured by this policy, whether named as an insured or not.

"licence insurance" means insurance as provided by *The Automobile Accident Insurance Act (Saskatchewan)* and the Regulations under that Act.

"nuclear energy hazards" means radioactive, toxic, explosive or other hazardous properties of substances described in Regulations made under the *Atomic Energy Control Act (Canada)*.

"occupant" means the driver and any passenger while in, on or getting into or out of an automobile or other vehicle.

"organization" means a corporation, unincorporated association or partnership.

"policy period" means the period from the date and time this policy becomes effective until the date and time it expires. The "policy period" is shown on the Coverage Summary page.

"private passenger/farm truck type" means a private passenger car, station wagon, private van, private truck, sport utility vehicle, motorhome or farm truck, excluding any automobile licenced for commercial use.

"properly registered in Saskatchewan" means properly registered in accordance with all the requirements of *The Vehicle Administration Act (Saskatchewan)*.

"snowmobile" means a vehicle defined as a Snowmobile in *The Snowmobile Act (Saskatchewan)*.

"spouse": means your legal husband or wife. It also means someone who has been living with you as your husband or wife for a period of at least two years or, if you are parents of a child, a period of at least one year.

"we", "our", "us" or "the Insurer" means The Portage la Prairie Mutual Insurance Company.

"you", "your", or "the named insured" means the person or persons named as Insured on the Coverage Summary page. For the definition of **"the automobile"**, please refer to Part 2.

PART 2 – AUTOMOBILES TO WHICH THIS POLICY APPLIES

In this Part we explain what is meant by "the automobile" as used in the various coverages of this policy.

Under Coverage Sections A (Third Party Liability), B (Accident Benefits) and C (Loss or Damage to Your Automobile), the words "the automobile" mean:

1. "the described automobile". This can be either of the following:

- (a) an automobile registered under *The Vehicle Administration Act (Saskatchewan)* and for which the licence plate number shown on the Coverage Summary page has been issued. The insurance provided by this policy for "the described automobile" will apply to any automobile you own or lease while properly registered to you with the licence plate number shown on the Coverage Summary page, provided the registration is valid and has not expired or has not been cancelled, suspended or revoked. *If you re-register the automobile with a different licence plate number, you must report the new plate number to us within 14 consecutive days from the day you get it, otherwise the insurance under this policy will not apply.*
Or,
- (b) an automobile, trailer or semi-trailer specifically described on the Coverage Summary page, or within the description of insured automobiles set out in this policy.

Under Coverage Sections A, B, and C, "the automobile" also means:

2. a "newly acquired automobile". This can be either of the following:

- (a) a replacement automobile: This is an automobile you acquire as owner (or as lessee, if the lease is more than 30 days) which has no other insurance except "licence insurance" and which replaces an automobile specifically described on the Coverage Summary page. The replacement automobile will have the same coverages as "the described automobile" it replaces. You must, however, tell us about the replacement automobile within 14 days from the day you take possession of it and pay us any additional premium we may require, otherwise, the insurance under this policy will not apply to it after the 14 days have expired.

Or,

- (b) an additional automobile: This is an automobile you acquire as owner, which is in addition to and does not replace a "described automobile". All the following conditions must be met before the insurance under this policy will apply:
 - (i) you must tell us about this automobile within 14 days from the day you take possession of it and pay us the additional premium we require;
 - (ii) all other automobiles you own must be insured by us under an automobile insurance policy for the coverage for which claim is made;
 - (iii) you must have no other insurance on the newly acquired (additional) automobile, other than "licence insurance"; and
 - (iv) you must not be in the business of selling automobiles. (The word "automobile(s)" as used in part (b) of this definition does not apply to an "All Terrain Vehicle" or a "Snowmobile".)

Under Coverage Sections A (Third Party Liability) and B (Accident Benefits) only, "the automobile" also means:

3a. a **"temporary substitute automobile"** - an automobile not owned by you or by anyone living in your home, while temporarily used as a substitute for "the described automobile" while "the described automobile" is not in use by any person insured by this policy because of its breakdown, repair, servicing, loss, destruction or sale. [*Please refer also to paragraph 2(c) of the Additional Agreements of Section C. which describes insurance under Section C that applies to a "temporary substitute automobile".*]

b. a **"rented automobile"**, meaning an automobile of the "private passenger/farm truck type" which has been rented to you for a period not exceeding 30 consecutive days and for which you are contractually liable under a written agreement. This does not apply to an automobile that is:

- (i) owned, leased or regularly or frequently used by anyone in your home;
- (ii) owned, hired or leased by or registered in the name of your employer or the employer of anyone living in your home;
- (iii) used in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles; or
- (iv) used to carry people or goods for any kind of payment.

If the "Named Insured" is an "organization", the words "you" and "your" in this definition of "rented automobile" shall apply to the employee or partner of the "Named Insured" for whose regular use "the described automobile" is furnished, provided that neither such employee or partner nor anyone living in his or her home owns or leases an automobile of the "private passenger/farm truck type".

And under Coverage Section A (Third Party Liability) only, "the automobile" also means:

4. a "temporary non-owned automobile".

(a) If "the Named Insured" is an individual or husband and wife, "temporary non-owned automobile" means any other automobile of the "private passenger/farm truck type", other than "the described automobile" or a "rented automobile", while personally driven by or in the care, custody or control of you or your "spouse", if your "spouse" is living with you, provided that such other automobile is not:

- (i) owned, leased or regularly or frequently used by you or by anyone living in your home;
- (ii) owned, hired or leased by or registered in the name of your employer or an employer of anyone living in your home;
- (iii) being driven by you or anyone living in your home in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles; nor
- (iv) being used to carry passengers or goods for any kind of payment.

(b) If "the Named Insured" is an "organization", a "temporary non-owned automobile" means any other automobile of the "private passenger/farm truck type", other than "the described automobile" or a "rented automobile", while personally driven by or in the care, custody, or control of the employee or partner of the "Named Insured" for whose regular use "the described

automobile" is furnished, or his or her "spouse", if living with such employee or partner, provided that:

- (i) neither such employee or partner or his or her "spouse" owns or leases an automobile of the "private passenger /farm truck type"; and
 - (ii) such other automobile is not owned, leased or regularly or frequently used by "the Named Insured" or by such employee or partner or by anyone living in the home of such employee or partner; and
 - (iii) such employee or partner or his or her "spouse" is not driving such other automobile in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles; and
 - (iv) such other automobile is not being used to carry people or goods for any kind of payment.
- (c) *only if "the described automobile" is registered under The Vehicle Administration Act(Saskatchewan) as a Private Passenger Vehicle or Farm Vehicle and is of the "private passenger/ farm truck type", "temporary non-owned automobile" also includes any other automobile of the "private passenger/farm truck type", other than "the described automobile" or a "rented automobile", while personally driven by or in the care, custody or control of any child living in your care and in your home, provided that such other automobile is not:*
- (i) owned, leased or regularly or frequently used by you or by anyone living in your home;
 - (ii) owned, hired or leased by or registered in the name of your employer or an employer of anyone living in your home;
 - (iii) being driven in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles; nor
 - (iv) being used to carry passengers or goods for any kind of payment.

If the "Named Insured" is an "organization", the word "child" as used in this clause 4(c) refers to a child living in the care and in the home of the employee or partner of the "Named Insured" for whose regular use "the described automobile" is furnished, but only if:

- (i) neither such employee or partner or anyone living in his or her home is the owner or lessee of an automobile of the "private passenger/farm truck type" and
- (ii) such other automobile is not owned, leased or regularly or frequently used by the "Named Insured" or by the employee or partner of the "Named Insured" for whose regular use "the described automobile" is furnished, or anyone living in the home of such employee or partner.

"Lease" used in definitions 3 and 4 refers to an automobile leased for a period of more than 30 days.

And under Coverage Section A (Third Party Liability) only, "the automobile" also means:

5. "Trailer": any trailer used in connection with "the automobile". However, if "the automobile" with which the trailer is used is registered under *The Vehicle Administration Act (Saskatchewan)* as a Private Passenger Vehicle or a Farm Vehicle, this definition 5, does not apply to a trailer designed or used:

- (i) to carry passengers, or
- (ii) for demonstration purposes or
- (iii) to carry goods for a fee.

PART 3 - GENERAL PROVISIONS AND EXCLUSIONS

I PROVISIONS: The following Provisions apply to all Coverages.

1. Territory: The insurance provided by this policy applies only while "the automobile" is in Canada or the United States of America or while on a ship sailing between the ports of these two countries.

2. Two or More Automobiles:

- (a) When two or more "described automobiles" are insured under this policy, each automobile is considered to be insured under a separate policy. With respect to the use or operation of an automobile you do not own, the limit of our liability will not exceed the highest limit applicable to any one "described automobile".
- (b) If two or more automobiles are insured in your name as described automobiles under two or more policies, either with us or another Insurance Company, and loss or damage arises from the use or operation of an automobile you do not own, we will pay our share of the amount of the loss or damage for which you are insured. Our share under this policy will be the proportion that the highest limit applicable to any one "described automobile" in this policy bears to the total of the highest limits applicable under each policy. In no event will we pay more than this proportion of the highest limit applicable to any automobile described in this or any other policy.
- (c) A motor vehicle with one or more trailers or semi-trailers attached will be considered to be one automobile with respect to the limit(s) of liability under Coverage Section A (Third Party Liability) and Coverage Section B (Accident Benefits), and separate automobiles with respect to the limit(s) of liability, including any deductible amount, under Coverage Section C (Loss or Damage to Your Automobile).

II EXCLUSIONS - Losses we do not insure:

The following exclusions apply to all Coverages. Other exclusions applying to each Coverage Section are set out in Part 4.

1. Excluded Uses: Unless we expressly give coverage by endorsement, there is no insurance under this policy while "the automobile":

- (a) is rented or leased to someone else, but if you let your employee use "the automobile" for your business purposes, we do not consider this to be renting or leasing; or
- (b) is used to carry explosives or to carry radio-active material for research, education, development or industrial purposes, or for purposes incidental to any of these; or

- (c) is being used as a taxicab, public bus or otherwise being used to carry passengers for which you receive any kind of payment. We do not consider the following to be carrying passengers for payment:
- (i) a private car pool arrangement where members take turns using their automobiles or share driving expenses;
 - (ii) the occasional and infrequent use of "the automobile" for driving another person who shares the cost of the trip;
 - (iii) when you use "the automobile" for the transportation of your own employees;
 - (iv) when you use "the automobile" for the transportation of clients or customers or prospective clients or customers.

Also, where *"the automobile" is registered under The Vehicle Administration Act*

(Saskatchewan) as a Private Passenger Vehicle or a Farm Vehicle and is of the "private passenger/farm truck type", we do not consider the following to be carrying passengers for payment:

- (v) when you use "the automobile" for the transportation of co-workers for your employer's business purposes;
- (vi) when you use "the automobile" to drive others to or from their place of business or school, but only while you are also driving yourself to or from your place of business or school;
- (vii) when "the automobile" is used for the transportation of teachers, students or others to or from school or events connected with a school program; or
- (viii) when "the automobile" is used for the transportation of passengers in connection with activities of religious or voluntary service organizations.

2. **Consent of Owner:** The insurance provided by this policy does not apply to any person, whether named as Insured or not, who is an "occupant" of any automobile which is being used without the consent of its owner. Where an automobile is owned by an "organization", consent given by a person for whose regular use such automobile is provided will be considered as consent given by its owner.
3. **Garage personnel excluded:** We will not make any payment for any loss, damage, injury or death sustained by any "garage personnel" while using, operating or working on "the automobile" in the course of their business or while an "occupant" of "the automobile" in the course of their business, unless the person sustaining the loss, damage, injury or death is the owner of "the automobile". "Garage personnel" means people in the business of selling, repairing, maintaining, storing, servicing or parking automobiles.

PART 4 - COVERAGES

SECTION A - THIRD PARTY LIABILITY

We provide the insurance described in this Section only if a premium is shown for Section A on the Coverage Summary page.

I INSURED PERSONS

Under Section A, we insure:

1. the "Named Insured" and any other person who, with the "Named Insured's" consent, personally drives or operates any part of or who has the care, custody or control of "the described automobile", a "newly acquired automobile", a "temporary substitute automobile" or a "rented automobile", and
2. you, your spouse (if your spouse is living with you) and any child living in your care and in your home while personally driving or operating any part of or having the care, custody or control of a "temporary non-owned automobile" as provided for in Part 2 of this policy.

The persons referred to in 1. and 2. above are "insured persons". The words "you" and "your" as used in Section A refer to these "insured persons".

If the "Named Insured" is an "organization" and "the described automobile" is of the "private passenger/farm truck type" and is furnished for the regular use of an employee or partner of the "Named Insured", permission given by such employee or partner to another person to drive a "rented automobile" shall be considered to be the "Named Insured's" consent, for the purpose of paragraph 1 above.

II INSURING AGREEMENTS

We agree to pay on your behalf those amounts which you become legally obligated to pay because of liability imposed by law 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**, subject always to the following:

1. We will pay only that portion, if any, of the amounts you are legally obligated to pay which is in excess of the amount payable under the "licence insurance" for such bodily injury, death or property damage.
2. The limit shown for Section A on the Coverage Summary page is the most we will pay for bodily injury, death or property damage arising out of any one accident or occurrence regardless of the number of:
 - a) insured persons,
 - b) claims made or actions brought, or
 - c) persons or organizations making claims or bringing actions.

III EXCLUSIONS:

We will not make any payment under Section A for:

1. any liability imposed by any Workers' Compensation law or plan upon any person insured by this Section; or
2. bodily injury to or death of any of your employees while they are operating or repairing "the automobile"; or
3. loss or damage to property carried in or on "the automobile" or to any property you own or rent or have in your care, custody or control; or
4. bodily injury, death or property damage arising out of the ownership, use or operation of "the described automobile" or a "newly acquired automobile" if, at the time of the occurrence causing the bodily injury, death or damage, such automobile is not "properly registered in Saskatchewan" or does not have valid "licence insurance", unless you establish that for the whole time during the "policy period" while such automobile was not so registered or was without valid "licence Insurance", it was in continuous storage and not used. If "the described automobile" is one for which the licence plate number is shown on the Coverage Summary page, the coverage for an automobile in continuous storage and not used will apply to the last automobile registered with the licence plate number shown on the Coverage Summary page.

Nor will we make any payment under Section A for:

5. bodily injury, death or property damage caused intentionally by or at the direction of any person insured by this policy; or
6. bodily injury, death or property damage caused by "nuclear energy hazards", except as provided for by *The Saskatchewan Insurance Act*; or
7. bodily injury or death for which insurance is payable under Part VIII of *The Automobile Accident Insurance Act (Saskatchewan)*; or
8. bodily injury, death or property damage arising from the ownership, use or operation of any machinery or apparatus, including its equipment, mounted on or attached to "the automobile" while at the site where it is being used, but this exclusion does not apply to an automobile registered under *The Vehicle Administration Act (Saskatchewan)* as a Private Passenger Vehicle or a Farm Vehicle.

Please refer also to the General Provisions and Exclusions (Part 3) and the Statutory Conditions (Part 5) of this policy.

IV ADDITIONAL AGREEMENTS

We will defend you against any suit which makes claims against you for which you are insured under Section A of this policy and which alleges bodily injury or property damage and seeks damages, even if it is groundless, false or fraudulent. We agree to investigate, negotiate and settle any such claim or suit as we consider appropriate. In addition to any amount for which we may be liable under the Insuring Agreements of Section A, we will pay:

1. all expenses we incur in such investigation and defense;
2. all costs charged against you in any suit insured under Section A;
3. any interest occurring after judgment on that part of the judgment which is within the amount of insurance payable under Section A; and
4. your reasonable costs for giving first aid to others at the time of the accident.

If an accident giving rise to a claim under Section A occurs in a province or territory of Canada where the minimum limit(s) required by law is higher than the limit insured under Section A of this policy, we will increase the Section A limit of insurance to meet the minimum limit(s) required by the law of such province or territory. We will not set up any defence to a claim insured under Section A that might not be set up if the policy were a motor vehicle liability policy issued in any province or territory in Canada where the accident occurred.

V YOUR AGREEMENT

By accepting this insurance, you agree:

1. to appoint us as your irrevocable attorney to appear on your behalf and defend in any province or territory of Canada or any state of the United States of America any action brought against you arising out of the ownership, use or operation of "the automobile"; and
2. to repay us the amount we have been required to pay because of a law relating to automobile insurance and which we would not otherwise have been liable to pay under this policy.

SECTION B - ACCIDENT BENEFITS

We provide the insurance described in this Section only if a premium is shown for Section B on the Coverage Summary page.

I. DEFINITIONS: (Words or terms defined here will appear in quotation marks throughout Section B)

As used in Section B:

"the Act" means *The Automobile Accident Insurance Act (Saskatchewan)* and regulations thereunder as may be amended from time to time.

"Insured Person" means:

- 1(a) any person insured by part II or Part VIII of "the Act" while "an occupant" of "the described automobile", a "newly acquired automobile" or a "temporary substitute automobile";
- (b) any person insured by Part II or Part VIII of "the Act" while an "occupant" of a "rented automobile" being driven by you or by someone else with your permission;
2. you, your "spouse", if your "spouse" is living with you, and any dependent relative of either who is a Saskatchewan resident and living in your care, while an "occupant" of any other automobile of the "private passenger/farm truck type", provided that such person is not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident for which claim is made under this Section, and also provided that such other automobile is not:
 - a) owned, hired, leased or regularly used by you or by anyone living in your home;
 - b) owned, hired or leased by your employer or by the employer of anyone living in your home; nor
 - c) used to carry people or goods for any kind of payment;
3. any other person insured by Part II or Part VIII of "the Act" while an "occupant" of an automobile of the "private passenger/farm truck type" that you do not own or lease (meaning leased from another for a period in excess of 30 days) but which you are using, with permission, provided that:
 - a) you are not an "organization";
 - b) "the described automobile" is registered under *The Vehicle Administration Act (Saskatchewan)* as a Private Passenger Vehicle or a Farm Vehicle and is of the "private passenger/farm truck type"; and
 - c) the automobile you are using is not:
 - i. owned, leased or regularly used by you or by anyone living in your home;
 - ii. owned, hired or leased by your employer or by the employer of anyone living in your home;
 - iii. being used in the business of selling, repairing, maintaining, servicing, storing or parking automobiles; or
 - iv. used to carry people or goods for any kind of payment;

4. you, your "spouse", if your "spouse" is living with you, and any dependent relative of either who is a Saskatchewan resident and living in your care, if hit by an automobile while not the "occupant" of an automobile or railway rolling stock that runs on rails, provided that:
 - a) the automobile that hits such person is not rented by that person's employer or by the employer of anyone living in that person's home; and
 - b) such person is not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles when hit by an automobile.

If this policy has been endorsed to grant permission to rent or lease the "described automobile" for more than 30 days, any reference to "you" and "your" in this definition of "Insured Person" will refer to the person named as the lessee on the Coverage Summary page, provided that the lessee is an individual (not an "organization") or two spouses in the same household.

"net income" means net income as defined in Part VIII of "the Act", but without taking into account the "maximum yearly insurable earnings".

"surviving spouse" means the surviving "spouse" of a deceased "Insured Person", to whom death benefits are payable under Part II or Part VIII of "the Act".

"weekly net income" means weekly net income calculated in the same manner as prescribed in "the Act" for calculating weekly net income to determine death benefits payable under Part II of "the Act", subject to the "maximum yearly employment income".

"maximum yearly insurable earnings" and "maximum yearly employment income" have the same meaning as set out in "the Act".

II. INSURING AGREEMENTS

If a premium is shown for Section B on the Coverage Summary page, we agree to pay the benefits described in this section to, or on behalf of, each "Insured Person" who sustains bodily injury or death directly and independently of all other causes by an accident arising out of the use or operation of an automobile.

III. INSURED BENEFITS

A. TORT COVERAGE EXTENSION

Applicable where benefits are payable to or on behalf of an "Insured Person" pursuant to Part II of "the Act":

1. Disability Benefits

When an "Insured Person" is paid a Weekly Benefit for disability under Part II of the Act", we will pay the "Insured Person" a Weekly Benefit equal to 25% of the Weekly Benefit paid under "the Act". We will pay this benefit only during such time as the "Insured Person" is being paid Weekly Benefits for disability under Part II of "the Act".

2. Death Benefits

(a) When a Weekly Death Benefit is paid under Part II of "the Act" to a "surviving spouse", we will pay the "surviving spouse" the difference, if any, between the maximum amount of the Weekly Death Benefit paid under "the Act" and 50% of the applicable "weekly net income". Where, under Part II of "the Act", a Weekly Death Benefit is paid to a dependant child on the same basis as to a "surviving spouse", we will pay weekly death benefits to the dependent child on the same basis as we would to a "surviving spouse", as set out above. We are not liable for any payment unless the Weekly Death Benefit payable under "the Act" is less than 50% of the applicable "weekly net income".

(b) When a Weekly Death Benefit is payable under Part II of "the Act" to a "surviving spouse" for a child who is a dependent of the "surviving spouse" and who was a dependent of the deceased "Insured Person", we will pay, for the benefit of such dependent child, the difference, if any, between the maximum amount of the Weekly Death Benefit paid under "the Act" for the dependent child and 5% of the "weekly net income" that would apply in the particular circumstances if the "maximum yearly employment income" were not taken into account. We are not liable for any payment unless the Weekly Death Benefit payable under "the Act" is less than 5% of the "weekly net income" that would apply if the "maximum yearly employment income" were not taken into account.

We will pay the death benefits described in (a) and (b) above only during such time as the "surviving spouse" or dependent child, as the case may be, is entitled to receive Weekly Death Benefit payments under Part II of "the Act".

3. Funeral Expenses

In the case of the death of an "Insured Person", we will pay an amount of up to 50% of the amount payable under Part II "the Act" for the "Insured Person's" funeral. We will pay only to the extent the actual and reasonable funeral expenses incurred exceed the limit provided for such expense under Part II of "the Act".

B. NO –FAULT COVERAGE EXTENSION

Applicable where benefits are payable to or on behalf of an "Insured Person" pursuant to Part VIII of "the Act":

1. Income Replacement

When an Income Replacement Benefit is paid under Part VIII of "the Act" to an "Insured Person", we will pay the amount necessary to cover the difference, if any, between the maximum amount of the Income Replacement Benefit payable under part VIII of "the Act" and the "Insured Person's" loss of "net income". We will pay this Benefit only during such time as the "Insured Person" is entitled to receive an Income Replacement Benefit under Part VIII of "the Act". We will not pay for any loss of "net income" that occurs during the first seven days from the date of the accident. The "Insured Person's" loss of "net income" must exceed the amount payable under part VIII of "the Act" before we are liable for any payment.

2. Death Benefits

(a) When a Weekly Death Benefit is paid under Part VIII of "the Act" to a "surviving spouse", we will pay the "surviving spouse" the difference, if any, between the maximum amount of the Weekly Death Benefit payable under Part VIII of "the Act" and 50% of the deceased's weekly "net income". We will pay this Death Benefit only during such time as the "surviving spouse" is entitled to receive Weekly Death Benefit payments under Part VIII of "the Act". We are not liable for any payment unless the Weekly Death Benefit payable under "the Act" is less than 50% of the deceased's weekly "net income"

(b) When a Weekly Death Benefit is paid under Part VIII of "the Act" to a "surviving spouse" for a child who is a dependent of the "surviving spouse" and who was a dependent of the deceased "Insured Person", we will pay, for the benefit if such dependent child, the difference, if any, between the maximum amount of the Weekly Death Benefit payable for the dependent child under Part VIII of the "Act" and 5% of the deceased's weekly "net income". We will pay this Death Benefit only during such time as the dependent child is entitled to receive payment for Death Benefits under Part VIII of "the Act". We are not liable for any payment unless the Weekly Death Benefit payable under "the Act" is less than 5% of the deceased's weekly "net income"

(c) Where Part VIII of "the Act" pays Weekly Death Benefits to a dependent child on the same basis as to a surviving "spouse", we will pay Death Benefits to the dependant child on the same basis that we would pay a "surviving spouse", as set out in 2(a) above.

3. Education Benefits

When an Education Benefit is paid to a "surviving spouse" under Part VIII of "the Act", we will pay an amount of up to 50% of the maximum Education Benefit payable under "the Act". We will pay such benefit only to the extent that the actual and reasonable costs incurred for the education of the "surviving spouse" exceed the maximum amount payable for this benefit under "the Act".

4. Funeral Expenses

In the case of the death of an "Insured Person", we will pay an amount of up to 50% of the amount payable under Part VIII of "the Act" for the "Insured Person's" funeral. We will pay only to the extent that the actual and reasonable funeral expenses incurred exceed the limit provided for such expense under Part VIII of "the Act".

IV. EXCLUSIONS

1. We will not make any payment under Section B for bodily injury to or death of any person:
 - (a) resulting from deliberate self-injury, suicide or attempted suicide; or
 - (b) who is entitled to receive benefits under a Workers' Compensation plan or law; or
 - (c) if the injury or death is caused by sickness or disease, unless the claimant can establish that the sickness or disease was a direct result of an automobile accident for which insurance is provided under this Section; or
 - (d) caused directly or indirectly by "nuclear energy hazards", except as provided for by *The Saskatchewan Insurance Act*; or
 - (e) who, at the time of the accident causing the bodily injury or death:
 - (i) is an "occupant" of an automobile which is being used for any prohibited or unlawful trade or transportation or in any race or speed test, or
 - (ii) is operating an automobile while under the influence of or impaired by alcohol or drugs or driving with a blood-alcohol ratio that exceeds the legal limit (conviction for one of these offenses will be considered conclusive proof), or
 - (iii) is an "occupant" of a motorcycle, "snowmobile" or "all-terrain vehicle."
2. We will not make any payment under Section B to any person who is not entitled to receive payment under Part II or Part VIII of "the Act" for the same type of benefit and for the same injury or death as that for which the claim is being made under this policy.
3. We will not make any payment under Section B for any injury or death caused directly or indirectly by war or warlike acts such as civil war, rebellion, revolution or insurrection.

V. LIMITATION OF LIABILITY

1. Other Insurance

Our liability under Section B – Accident Benefits- shall be excess insurance to *The Automobile Accident Insurance Act (Saskatchewan)* and to any other valid or collectible insurance or plan that provides similar coverage as that provided under Section B of Part 4 of this policy. It is further understood and agreed that we shall not be liable for payment of any deductible or waiting period portion specified in any of the aforementioned Act or plans.

2. Maximum Amount Payable

We will not pay more than the limit shown for Section B on the Coverage Summary page for any one accident or occurrence, regardless of the number of claims made or number of "Insured Persons".

VI. CLAIM SETTLEMENTS

1. Notice and Proof of Claim

The "Insured Person", or another person acting for the "Insured Person", must do the following things to claim under Section B:

- (a) tell us about the claim by registered mail or in person. You must do this within 30 days after you make application for a Benefit under Part II or Part VIII of "the Act", but not later than two years from the date of the accident on which the claim is based;
- (b) give us reasonable proof of the claim within 90 days after you make application for a Benefit under Part II or Part VIII "the Act", or such later date that we may agree to; and
- (c) if we ask, provide us with a physician's statement giving information about the injuries arising from the accident and the expected length of the disability.

2. Medical Reports

The "Insured Person" making the claim must agree to be examined by a physician of our choice whenever we require this to be done. In case of the death of an "Insured Person", we have the right to have an autopsy performed within the limits of the law. Where we require these to be done, we agree:

- (a) to pay the expenses of the "insured person" to attend any examination we may reasonably require;
- (b) to pay for any autopsy that we require;
- (c) to provide to the "insured person" or the "insured person's" representative, upon request, a copy of any examination we obtain; and
- (d) to provide to a person making a claim under this Section or such person's representative, upon request, a copy of any autopsy report obtained by us relating to the claim.

3. Release

As a condition of payment under Section B, we may require a release to be signed by the "Insured Person" or another person to whom the claim is payable, releasing you and us from any further payment.

4. When Claims are Payable

- (a) We will make valid payments under Section B within 60 days after we receive proof of the claim.
- (b) No one may bring legal action against us to recover the amount of a claim unless the requirements of "Notice and Proof of Claim" and "Medical Reports" as set out above are complied with and the amount of loss has been established.
- (c) **In respect to claims under Section B only, any legal action against us must be commenced within two years from the date on which the cause of action arose, and no later. In respect to claims under any other coverage, the provisions of Statutory Condition 6(3) will apply.**

Please refer also to the General Provisions and Exclusions (Part 3) and the Statutory Conditions (Part 5) of this policy.

SECTION C - LOSS OR DAMAGE TO YOUR AUTOMOBILE

I INSURING AGREEMENTS

We agree to insure you against direct and accidental loss or damage to "the automobile", including its equipment, but only with respect to the following subsections of Section C for which a premium is shown on the Coverage Summary page.

Subsection 1 - All perils - all perils of direct and accidental loss or damage, except as provided in Subsection 5.

Subsection 2 - Collision or Upset - direct and accidental loss or damage caused by collision with another object or by upset.

Subsection 3 - Comprehensive - all perils of direct and accidental loss or damage other than by collision with another object or by upset, and except as provided by Subsection 5. The words "another object" as used in this Subsection include (a) a vehicle to which "the automobile" is attached and (b) the surface of the ground and any object on or in the ground. Except as provided by Subsection 5, loss or damage caused by any of the perils named in Subsection 4, as well as by missiles, falling or flying objects, malicious mischief, or vandalism, is considered loss or damage caused by perils for which insurance is provided under this subsection 3.

Subsection 4 - Specified Perils - direct and accidental loss or damage caused by fire, lightning, theft or attempted theft, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or their parts, 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.

Subsection 5 - Road Hazard Glass - breakage of glass that encloses the passenger compartment of "the automobile", caused by an object that is thrown up by or falls from another vehicle.

II LIMITATIONS AND DEDUCTIBLE

Each occurrence causing loss or damage insured under Section C will be considered separately for claims purposes. For each separate claim we will pay the amount of the loss or damage up to, but not exceeding, the amount of the "licence insurance" deductible that applies to such loss or damage. If we have agreed to insure you under this Section against loss or damage where no "licence insurance" is payable, we will pay the amount of insured loss or damage up to, but not exceeding, the actual cash value of "the automobile" sustaining the loss or damage. From the amount so determined, in either case, we will deduct the deductible amount for the applicable Subsection of Section C as shown on the Coverage Summary page. This deductible will not apply to insured loss or damage caused by fire, lightning or theft of the entire automobile. If "the automobile" is registered under *The Vehicle Administration Act (Saskatchewan)* as a Private Passenger Vehicle or a Farm Vehicle and is of the "private passenger/farm truck type", the deductible will not apply to loss or damage caused by collision with a bird or animal.

Where the "licence insurance" fixes a maximum value for "the automobile", we are not liable for the amount of any loss or damage in excess of such value, unless insurance for the excess value has been added to this policy by endorsement.

III EXCLUSIONS - Loss or Damage we do not insure

1. We do not insure loss or damage under any subsection of Section C:
 - (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 happens at the same time as other loss or damage for which you are insured under Section C, or is caused by fire, theft, vandalism or malicious acts for which you are insured under Section C; 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 if you voluntarily give up title or ownership, whether or not you were persuaded to do so by any fraud, trick or false pretense; or
 - (d) caused directly or indirectly by contamination by radioactive material or by other atmospheric contaminants, or
 - (e) to tapes, discs, records or other media or to audio or video equipment not affixed to "the automobile"; or
 - (f) to "the described automobile" or a "newly acquired automobile" if, at the time the loss or damage occurs, such automobile is not "properly registered in Saskatchewan" or does not have valid "licence insurance"; unless you establish that for the whole time during the "policy period" while it was not so registered or while without valid "licence insurance", it was in continuous storage and not used. If "the described automobile" is one for which the licence plate number is shown on the Coverage Summary page, the coverage for an automobile in continuous storage and not used will apply to the last automobile registered with the licence plate number shown on the Coverage Summary page; or
 - (g) caused directly or indirectly by war or warlike acts such as civil war, rebellion, revolution or insurrection.
2. We do not insure loss or damage under subsections 1 (All Perils), 3 (Comprehensive), or 4 (Specified Perils):
 - (a) caused by theft by any person living in your home or by any employee of yours who maintains, repairs or uses "the automobile", even if the theft occurs when the employee is off duty; or
 - (b) caused by theft of tools, chains or repair equipment, unless the entire automobile is stolen; or
 - (c) caused by theft of equipment of "the automobile" unless such equipment is in or on "the automobile" or in your home at the time the theft occurs; or
 - (d) caused by and confined to soiling of upholstery or scratching of any part of "the automobile", unless such loss or damage is the result of other loss insured under subsections 1, 3 or 4.

Please refer also to the General Provisions and Exclusions (Part 3) and the Statutory Conditions (Part 5) of this policy.

IV ADDITIONAL AGREEMENTS

1. We will extend the insurance under Section C to cover a 'slide-in' camper or top used with "the described automobile" but only if "the described automobile" is registered under *The Vehicle Administration Act (Saskatchewan)* as a Private Passenger Vehicle or Farm Vehicle. We will insure only one camper and one top. The insurance applies whether the camper or top is on or off an automobile. If there is loss or damage to the camper or top at the same time as loss or damage to "the described automobile", only one deductible will be applied.
2. Where loss or damage arises from a peril for which a premium for a subsection of Section C is specified on the Coverage page, we further agree:
 - (a) to pay general average, salvage, fire department charges and customs duties of Canada or of the United States of America for which you are legally liable. We will pay only the amount, if any, in excess of the amount payable under the "licence insurance";
 - (b) to waive subrogation against every person who, with your consent, has care, custody or control of "the automobile", provided always that this waiver shall not apply to any person:
 - (i) having such care, custody or control in the course of the business of selling, repairing, maintaining, servicing, storing or parking automobiles, or
 - (ii) who has committed a breach of any condition of this policy;
 - (c) to indemnify you and any other person who personally drives a "temporary substitute automobile" for those amounts you and such other person may become legally obligated to pay for direct and accidental damage to such automobile and arising from the care, custody and control of such automobile, provided always that:
 - (i) the deductible amounts and exclusions of Section C will apply, and
 - (ii) if the owner of the "temporary substitute automobile" has or places any other insurance for such automobile against any peril insured by Section C of this policy, including "licence insurance", we will pay only the amount by which the deductible amount, if any, of such other insurance exceeds the deductible amount stated in the applicable subsection of Section C of this policy; and
 - (iii) the Additional Agreements of Section A shall, insofar as they are applicable, extend to the indemnity provided by this Additional Agreement 2(c);

3. Loss of use by Theft - In the case of theft of the entire automobile for which you are insured under subsection 1, 3 or 4 of Section C, we agree to reimburse you for expenses you incur for rental of a substitute automobile, including taxicabs and public means of transportation. The most we will pay is \$30. in any one day, to a maximum of \$750. in all. Reimbursement is only for such expenses incurred during the period commencing immediately after you have reported the theft to the police or to us and ending regardless of the policy expiry date, the day after one of the following first takes place:
 - (a) the automobile has been repaired or replaced, or
 - (b) an offer has been made under the "licence insurance" to settle your claim for the loss or damage caused by the theft, whether or not you accept the offer.
4. Provided that "the described automobile" is of the "private passenger/farm truck type" and is insured under this Section for "All Perils", "Comprehensive" or "Specified Perils" cover, we will pay up to \$200 for the cost of replacing your keys to "the described automobile" or rekeying its locks, if your keys are stolen. No deductible applies to this agreement.

V YOUR AGREEMENT

If you are in the business of selling, repairing, or servicing automobiles, you agree, with respect to loss or damage insured under Section C, to replace the damaged property or make the necessary repairs at your actual cost, if we ask you to do so.

SECTION D - ENDORSEMENTS

The endorsements set out in this section apply only if indicated on the Coverage Summary page. If more than one automobile is insured under this policy, the endorsement shall apply only to the automobile for which it is shown on the Coverage Summary page, except in the case of Endorsements E.E.F. 21b, 21d, 27, 27a, 27b, 46, 110 and 113. The words "the automobile" or "your automobile" where used in any of the endorsements in this Section, refer to the "described automobile" to which the endorsement applies, unless otherwise indicated. Except as otherwise specifically stated in any endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy remain unchanged and have full force and effect.

E.E.F. 5 - Permission To Rent Or Lease (Specified Lessee)

This Endorsement shall be effective only with respect to an automobile leased to the Lessee by the Lessor.

In this endorsement, "the Lessee" means the person named as the Lessee on the Coverage Summary page.

Permission is given for the automobile to be rented or leased to the Lessee for a period of more than 30 days. We agree to insure the Lessee in the same manner and to the same extent as if the Lessee were named as Insured. The definition of "you", "your", and "the named insured", as set out in the General Definitions of this policy, is extended to include the Lessee, except where otherwise stated. This does not increase the limits of liability or amounts of insurance shown on the Coverage Summary page or stated elsewhere in this policy beyond the amounts that would apply if only one person were named as the Insured.

The following changes shall also apply:

1. Where used in:

- (a) paragraph 4 of Part 2 (the definition of a "temporary non-owned automobile") and;
- (b) Section B;

the words "you", "your" and "the named insured" shall mean the Lessee only.

2. In paragraph 2(b) of Part 2 (referring to an "additional automobile") the words "you acquire as owner" shall mean leased by the lessee from the lessor.

3. The application for this insurance is changed to provide that:

- (a) where the Lessee as applicant (i) gives false particulars of the "described automobile" to our prejudice or (ii) knowingly misrepresents or fails to disclose in the application any fact required to be stated, then a claim made by the Lessee is invalid and the Lessee's right to recover indemnity is forfeited;
- (b) where either the Lessee or Lessor contravenes a term of this policy or commits a fraud or willfully makes a false statement in respect of a claim under the policy, a claim by such party is invalid and the right to recover indemnity is forfeited.

E.E.F. 19 – Limitation of Amount

We are not liable under Section C for any amount in excess of the Actual Cash Value of your automobile at the time the loss or damage occurs or in excess of the amount shown for this endorsement on the Coverage Summary page, whichever is the lesser.

E.E.F. 20 - Loss of Use

This endorsement replaces Additional Agreement 3 of Section C.

In the event that loss or damage to your automobile for which you are insured under Section C exceeds the deductible amount shown on the Coverage Summary page, we agree to reimburse you for reasonable expenses you incur for the rental of a substitute automobile, including taxicabs and public means of transportation, made necessary by the loss of use of your automobile. We will reimburse you for such expenses commencing:

- (a) at the time the loss or damage occurs if your automobile cannot be operated under its own power;
- (b) in the case of theft of the entire automobile, immediately after you have reported the theft to the police and to us; or
- (c) in all other cases, when your automobile is taken for repair of the damage;

and ending, regardless of the policy expiry date, the day after either of the following first takes place:

- (a) your automobile has been repaired or replaced;
- (b) an offer has been made under the "licence insurance" to settle your claim for the loss or damage, whether or not you accept the offer.

The most we will pay for such expenses is the amount shown for this endorsement on the Coverage Summary page.

E.E.F. 27a – Legal Liability For Damage To Non-Owned Automobiles

We agree to indemnify you, your spouse, if living with you, or any child living in your home and in your care, against the liability imposed by law or assumed under a written agreement for direct loss or damage to any automobile of the "private passenger/farm truck type" not owned or leased by you or licenced in your name nor owned or leased by or licensed in the name of anyone living in your home, where the loss or damage arises from the care, custody or control of such automobile and is caused solely by a peril for which you are insured under Section C.

Provided that:

1. not more than one such automobile can be considered to be in the care, custody or control of the persons covered by this Endorsement at any one time;
2. such automobile is being kept or used with the consent of its owner or lessee;
3. such automobile is "properly registered in Saskatchewan" with valid "licence insurance" if required by law to be registered in Saskatchewan;
4. if the owner of such automobile has or places other insurance on it against any peril insured by Section C of this policy, including "licence insurance", we will pay only the amount by which the deductible amount, if any, of such other insurance exceeds the deductible amount shown for the applicable subsection of Section C of this policy, unless the person insured by this endorsement is legally obligated to pay in excess of such amount under an agreement made in writing before the occurrence for which claim is made;;
5. the deductible amounts and exclusions of Section C apply to the indemnity provided by this Endorsement;
6. the Additional Agreements of Section A shall, insofar as they are applicable, extend to the indemnity provided by this Endorsement; and
7. the amount shown for this Endorsement on the Coverage Summary page is the most we will pay under this Endorsement for any one occurrence, exclusive of amounts under provision 6 above. If no amount is shown for this endorsement, we will not pay more than the actual cash value of the loss or damage, exclusive of the amounts under provision 6 above.

We further agree to waive subrogation against anyone driving a "rented automobile" with your permission, provided always that this waiver shall not apply to any person

- (i) having care, custody or control of the "rented automobile" in the course of the business of selling, repairing, maintaining, servicing, storing or parking automobiles, or
- (ii) who has committed a breach of any condition of this policy.

This Endorsement does not apply to any automobile:

1. regularly or frequently used by you or by anyone living in your home, or
2. while being used in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles, or
3. being used to carry people or goods for any kind of compensation.

If the "Named Insured" is an "organization", the words "you" and "your" in this Endorsement shall apply to the employee or partner of the "Named Insured" for whose regular use "the described automobile" is furnished, provided that neither such employee or partner nor anyone living in his or her home owns an automobile of the "private passenger/farm truck type".

If this policy has been endorsed to grant permission to rent or lease "the described automobile" for more than 30 days, the insurance provided by this Endorsement shall apply only to the person named as Lessee on the Coverage Summary page, and not to the owner of the automobile.

The word "leased" as used in this Endorsement means leased for a period of more than 30 days.

E.E.F. 43L - Limited Waiver of Depreciation (Specified Lessee)

If we determine that the leased automobile is a total loss as a result of loss or damage insured under Section C, we agree to waive Statutory Condition 4-(5) which limits our liability to the actual cash value of the leased automobile provided:

- (a) E.E.F. 5 - Permission to Rent or Lease Endorsement applies to such automobile;
- (b) the specified lessee is the first lessee of the automobile and the automobile was new at the time of delivery to the lessee;
- (c) the loss or damage occurs within 30 months of the date on which the leased automobile was first delivered to the lessee;
- (d) this endorsement will not apply with respect to
 - i) tires and batteries, or
 - ii) betterment resulting from the necessary repair or replacement of parts having prior unrepaired damage;
- (e) we are liable only for the amount of loss or damage in excess of the amount payable under the "licence insurance" had this endorsement not been issued;
- (f) we are not liable in any event for more than the value of the leased automobile and its equipment as stated in the Leasing Agreement of the specified lessee, or the manufacturer's suggested list price of the automobile and its equipment at the original date of purchase, whichever is the lesser amount.

E.E.F. 43R – Limited Waiver of Depreciation

In the event that loss or damage to your automobile for which you are insured under Section C exceeds the deductible amount shown on the Coverage Summary page, we agree to waive Statutory Condition 4-(5) which limits our liability to the actual cash value of the automobile, subject to all terms and conditions set out in this endorsement provided that:

- (a) you are the original purchaser of the automobile exclusive of the selling dealer;
- (b) the loss or damage occurs within 30 months of the date on which the automobile was first delivered to you;
- (c) this endorsement does not apply with respect to:
 - (i) tires and batteries, nor
 - (ii) betterment resulting from the repair or replacement of parts having prior unrepaired damage;
- (d) we are not liable, in any event, for more than your actual purchase price of the automobile and its equipment or the manufacturer's suggested list price at the original date of purchase of the automobile and its equipment, whichever is the lesser amount;
- (e) we are liable only for the amount of loss or damage in excess of the amount payable under the "license insurance" had this endorsement not been issued.

E.E.F. 44 – Family Protection Coverage

I. **DEFINITIONS** {words and terms defined here will appear in quotation marks throughout this Endorsement, except the word automobile}.

As used in this Endorsement:

1. **"automobile"** means a motor-driven land vehicle for which motor vehicle liability insurance would be required by law in Saskatchewan. The words **"the described automobile"**, **"newly acquired automobile"** and **"temporary substitute automobile"** as used in this Endorsement have the same meanings as defined in the General Definitions of this policy.
2. **"dependent relative"** means:
 - (a) a person who is principally dependent on you or your "spouse" for financial support and is:
 - (i) less than 18 years of age and living with you or in full time attendance at an educational institution away from your home; or
 - (ii) 18 years of age or older and in your care because of a physical or mental handicap; or
 - (iii) 18 years of age or older and in full time attendance at an educational institution; or
 - (iv) your parent or relative, or the parent or relative of your "spouse", who is living with you.
 - (b) The following are included in the definition of "dependent relative", but only where the person injured or killed is not an "insured person" as defined in the "Family Protection Coverage" of any policy of insurance or does not own an automobile which is licenced in any jurisdiction of Canada where "Family Protection Coverage" is available:
 - (i) any relative of yours or your "spouse" who lives with you, and
 - (ii) any other relative of yours or your "spouse" while an "occupant" of "the described automobile", a "newly acquired automobile" or a "temporary substitute automobile".
 - (c) If you are an "organization", the words "you" and "your" in this definition applies to your officer, employee or partner for whose regular use "the described automobile" is provided.
3. **"eligible claimant"** means:
 - (a) the "insured person" sustaining bodily injury; and
 - (b) any other person who, according to the law of the province, territory, or state where the accident occurs, has the right to bring an action against the "underinsured motorist" for damages because of bodily injury to or death of an "insured person".
4. **"Family Protection Coverage"** means the insurance provided by this Endorsement and any similar kind of coverage under any insurance plan or contract whether or not described as Family Protection Coverage, Family Security or Underinsured Motorist Coverage.

5. **"insured person"** means:

- (a) you and your "spouse", if your "spouse" is living with you, and any "dependent relative" of either, while
 - (i) an "occupant" of "the described automobile", a "newly acquired automobile" or a "temporary substitute automobile";
 - (ii) an "occupant" of any other automobile, but this does not include the person who owns the other automobile or leases it for more than 30 days, unless "Family Protection Coverage" is in force in respect of such other automobile, or
 - (iii) not an "occupant" of an automobile who is hit by an automobile.
- (b) If you are an "organization", "insured person" means your officer, employee or partner for whose regular use "the described automobile" is provided and his or her "spouse", if living with such officer, employee or partner, and any "dependent relative" of either while:
 - (i) an "occupant" of "the described automobile", a "newly acquired automobile" or a "temporary substitute automobile";
 - (ii) an occupant of an automobile other than an automobile referred to in (b)(i) above leased by you for more than 30 days or owned by you and provided "Family Protection Coverage" is in force on such other automobile, or
 - (iii) not an occupant of an automobile who is hit by an automobile.

If this policy has been endorsed to grant permission to rent or lease "the described automobile" for more than 30 days, the words "you" or "your" in this Endorsement will refer to the lessee named on the Coverage Summary page.

6. **"Limit of Family Protection Coverage"** means the limit shown for this Endorsement on the Coverage Summary page. If no limit is shown, then the Section A limit applicable to "the described automobile" to which this Endorsement applies is the "Limit of Family Protection Coverage." If a policy condition is breached and the Section A limit of this policy is reduced to the minimum limits of the jurisdiction where the accident took place, then the "Limit of Family Protection Coverage" will also be reduced to that same limit.
7. **"limits of motor vehicle liability insurance"** means the amount or amounts shown on a motor vehicle liability policy of insurance as the insurer's limit of liability with respect to liability claims, even if those limits have been reduced by the payment of claims or otherwise. However, if a policy condition is breached and the liability coverage under a motor vehicle liability policy is reduced to the statutory minimum limits of the jurisdiction where the accident took place, then those minimum limits will apply as the "limits of motor vehicle liability insurance." The words "limit of motor vehicle liability insurance" also means the value of all bonds, cash deposits or other financial guarantees which the law requires instead of motor vehicle liability insurance. . For the purpose of this clause, the limit or limits of Bodily Injury Liability Insurance set out in *The Automobile Accident Insurance Act (Saskatchewan)* or which apply under any other government automobile insurance plan, shall be considered to be an amount or amounts shown on a motor vehicle liability policy of insurance as the insurer's limit of liability with respect to liability claims.

8. **"spouse"** means your legal husband or wife. It also means someone who has been living continuously with you as your husband or wife for a period of at least two years or, if a child was born of your union, a period of at least one year.
9. **"underinsured motorist"** means
- (a) the known owner or known driver of an automobile where the combined total "limits of motor vehicle liability insurance" for such owner and driver is less than the "Limit of Family Protection Coverage" and
 - (b) the known owner or known driver of an "uninsured automobile"; provided that:
 - (i) where an "eligible claimant" is entitled to recover damages from an "underinsured motorist" and the owner or operator of any other automobile, then for the purpose of I.9.(a) above and for the purpose of determining our maximum liability under clause III of this Endorsement ("Limit of Coverage Under This Endorsement") the "limits of motor vehicle liability insurance" shall be considered to be the total of all "limits of motor vehicle liability insurance" applicable to such "underinsured motorist" and such owner or operator of any other automobile; and
 - (ii) where an "eligible claimant" is entitled to recover damages from a known owner or known driver of an "uninsured automobile", then for the purpose of I.9.(a) and I.9.(b) above and for the purpose of determining our maximum liability under clause III of this Endorsement ("Limit of Coverage Under This Endorsement"), any uninsured motorist coverage or unsatisfied judgment fund available to the "eligible claimant" shall be considered to be motor vehicle liability insurance and the maximum amount payable under such coverage or fund shall be considered to be the "limits of motor vehicle liability insurance."

The term "underinsured motorist" does not include an owner or driver of an automobile whose identity cannot be established.

10. **"uninsured automobile"** means an automobile for which neither the owner nor driver has applicable and collectible bodily injury liability insurance for its ownership use or operation, but does not include an automobile owned by or registered in the name of:
- (a) the person or persons named as Insured on the Coverage Summary page or anyone living with such person or persons; or
 - (b) the governments of Canada or the United States of America or any political subdivision thereof or any agency or corporation owned or controlled by any of them; or
 - (c) any person or company who is an authorized self-insurer within the meaning of a financial or safety responsibility law; or
 - (d) any person or company who has filed a bond, or otherwise given proof of financial responsibility, with respect to his liability for the ownership, use or operation of automobiles.

II. INSURING AGREEMENT

If a premium is shown for this Endorsement on the Coverage Summary page and you follow the conditions required by this policy, we agree to indemnify each "eligible claimant" for the amount that he or she is legally entitled to recover from an "underinsured motorist" as compensatory damages for bodily injury or death sustained by an "insured person" by accident arising out of the use or operation of an automobile.

III. LIMIT OF COVERAGE UNDER THIS ENDORSEMENT

1. Our maximum liability under this Endorsement for any one occurrence, regardless of the number of "eligible claimants" or the number of "insured persons" injured or killed or the number of automobiles insured under this policy or the number of claims which arise from the occurrence, shall be the amount by which the "Limit of Family Protection Coverage" exceeds the total of all "limits of motor vehicle liability insurance" of the "underinsured motorist" and all "limits of motor vehicle liability insurance" of any person jointly liable with the "underinsured motorist". If the total value of the claims of all "eligible claimants" exceeds our maximum liability under this Endorsement, the payment to each "eligible claimant" will be reduced so that the total amount we pay does not exceed our maximum liability under this Endorsement.
2. Where the coverage under this Endorsement applies as excess, then our maximum liability will be the amount determined in III I. above, less the amounts available to "eligible claimants" under any first loss insurance referred to in clause VII. (Multiple Coverages).

IV. AMOUNT PAYABLE PER ELIGIBLE CLAIMANT

1. The amount payable under this Endorsement to any "eligible claimant" shall be arrived at by determining the amount of damages the "eligible claimant" is legally entitled to recover from the "underinsured motorist" and deducting from that amount the aggregate of the amounts referred to in paragraph 2 below, but in no event shall the total of all payments to "eligible claimants" exceed our maximum liability as set out in clause III. (Limit of Coverage Under This Endorsement).
2. The amount payable under this Endorsement to any "eligible claimant" is excess to any amount actually recovered by the "eligible claimant" from any source, other than money payable on death under a Life Insurance policy, and is excess to any amounts the "eligible claimant" is entitled to recover, whether such entitlement is pursued or not, from:
 - (a) the insurers of the "underinsured motorist" and from bonds, cash deposits or other financial guarantees of the "underinsured motorist";
 - (b) the insurers of any person jointly liable with the "underinsured motorist" for damages sustained by an "insured person";
 - (c) the Societe de L'Assurance Automobile du Quebec, the Ontario Motorist Protection Plan, the Personal Injury Protection Plan (Manitoba), the Personal Injury Protection Plan (Saskatchewan) or any similar plan;
 - (d) any unsatisfied judgment fund or similar plan which would have been payable had this Coverage not been in effect;
 - (e) the uninsured motorist coverage of a motor vehicle liability policy;
 - (f) any automobile accident benefits plan in the province, territory or state where the accident took place;

- (g) any policy of insurance that provides disability, loss of income, medical expense or rehabilitation benefits;
- (h) any policy of insurance, other than Life Insurance, that provides death benefits;
- (i) any Workers' Compensation Act or similar law applicable to the injury or death which occurred;
- (j) any medical, surgical, dental or hospitalization plan or law;
- (k) any other "Family Protection Coverage" on a Motor Vehicle liability policy.

3. If there is more than one "eligible claimant" and the total of all the amounts payable to them exceeds our limit of liability as set out in clause III - Limit of Coverage Under This Endorsement, we may pay to each "eligible claimant" a pro rata proportion of the amount that would otherwise be paid to them. If an "eligible claimant" gives actual notice of a claim after payments have been made to other "eligible claimants", our maximum liability will be the amount determined in Clause III- Limit of Coverage Under This Endorsement, less the amounts paid to the prior "eligible claimants."

V. DETERMINATION OF THE AMOUNTS AN "ELIGIBLE CLAIMANT" IS LEGALLY ENTITLED TO RECOVER

1. An "eligible claimant" must bring an action to judgment against the alleged responsible parties. In determining the amount an "eligible claimant" is legally entitled to recover from the alleged "underinsured motorist" and all other alleged responsible parties, we will be bound by the court's decision on the question of liability in accordance with the law of the place where the accident occurred; but the question of the amount of the damages (quantum) shall be decided in accordance with the law of Saskatchewan, regardless of where the accident occurred. No findings of a court with respect to either liability or damages will be binding on us unless we are given a reasonable opportunity to participate in the proceedings as a party. For the purpose of this clause, action brought against Saskatchewan Government Insurance in its capacity as a nominal defendant on behalf of an alleged responsible party shall be considered to be action brought against the alleged responsible party.
2. If, before court action or judgment, the "eligible claimant" receives a settlement offer from the alleged "underinsured motorist" or any other alleged responsible parties, the "eligible claimant" must notify us of such settlement offer and may, with our written consent, accept the offer.
3. Once the "eligible claimant" has obtained judgment against or concluded a settlement with the "underinsured motorist" or any other responsible parties, the decision as to whether the "eligible claimant" is entitled to payment under this Endorsement and, if entitled, the amount of such payment, shall be reached by agreement between the "eligible claimant" and us. If we cannot agree whether the "eligible claimant" is entitled to payment under this Endorsement or, if entitled, the amount of payment, these issues, or either one of them, shall be determined by arbitration of some person to be chosen by both the "eligible claimant" and us. If we cannot agree on one person, then the "eligible claimant" and us will each choose an arbitrator and the two arbitrators will choose a third person. The provisions of *The Arbitration Act (Saskatchewan)* shall apply to the arbitration and the arbitration shall take place in Saskatchewan. The decision resulting from the arbitration will be binding on the "eligible claimant" and on us.
4. In determining any amounts an "eligible claimant" is legally entitled to recover, no amount shall be included for:

- (a) any pre-judgment interest accumulating prior to the time the "eligible claimant" gives us notice of the accident as required by this Endorsement; or
- (b) any punitive, exemplary, aggravated or other non-compensatory damages caused by the conduct of the "underinsured motorist" or any other person jointly liable with the "underinsured motorist", or
- (c) any costs.

VI. PROCEDURES WHEN CLAIMING

1. Before we become liable for any payment, the following must be done:
 - (a) the "eligible claimant" must give us notice, in writing, of any accident involving injury to or the death of an "insured person". This notice must give all available particulars about the accident and about any claim that has been made because of the accident;
 - (b) the "eligible claimant" and the "insured person" must, if we ask, tell us about any insurance, other than life insurance, that may provide coverage for the "eligible claimant";
 - (c) the "eligible claimant" and the "insured person" must submit to an examination under oath and produce for examination at a time and place we may reasonably select, all documents in their possession or control that relate to matters in question, and allow extracts and copies of such documents to be made.
2. Where an "eligible claimant" commences a legal action against any other person owning or operating an automobile involved in the accident, a copy of the Writ of Summons, Statement of Claim or other documents commencing action, must be delivered to us immediately in person or by registered mail.
3. Any suit against us for payment under this Endorsement must be started within 12 months from the date when the "eligible claimant" or his or her legal representative knew or should have known, that the amount (quantum) of the claims with respect to an "insured person" exceeded the statutory minimum limits for motor vehicle liability insurance in the province, territory or state in which the accident occurred. No action against us that is commenced within 2 years of the date of the accident shall be barred because of this provision.

VII. MULTIPLE COVERAGES

Where an "eligible claimant" is entitled to payment under "Family Protection Coverage" of more than one policy and:

1. the "insured person" is an "occupant" of an automobile, the "Family Protection Coverage" on the automobile in which the "insured person" is an "occupant" is first loss insurance and any other such insurance is excess;
2. the "insured person" is not an "occupant" of an automobile, the "Family Protection Coverage" of any one policy in the name of the "insured person" is first loss insurance and any other such insurance is excess.

First loss insurance must be used up before any excess insurance is taken into consideration.

All first loss "Family Protection Coverage" shall be apportioned on a pro rata basis. In no event shall the aggregate payment under all first loss coverages be more than the highest coverage limit of any one of the first loss coverages.

All applicable excess "Family Protection Coverage" shall also be apportioned on a pro-rata basis, but in no event shall the aggregate payment under all such insurances be more than the highest limit of coverage (as defined in Clause III 2.) of any one of the excess coverages.

VIII. LIMITATION WHERE COVERAGE APPLIES

The insurance under this Endorsement applies only where an "eligible claimant" is not prevented by the law of the province, territory or state where the accident occurs from suing the owner and/or operator of an automobile for bodily injury or death arising from the ownership, use or operation of an automobile. Provided, however, the insurance under this Endorsement will apply in those cases where an "eligible claimant" is prevented by law from suing the owner and/or operator of an automobile for such bodily injury or death but is permitted by law to sue Saskatchewan Government Insurance in its capacity as a nominal defendant on behalf of the owner and/or operator of an automobile.

IX. SUBROGATION

When a claim is made under this Endorsement, we assume the rights of the "eligible claimant" who makes the claim and we may take any action in that person's name against the "underinsured motorist" and any of the sources referred to in Clause IV. 2.

X. ASSIGNMENT OF RIGHTS OF ACTION

Where a payment is made under this Endorsement, the person receiving the payment assigns all rights of action to us whether judgment is obtained or not, and agrees to co-operate with us, at our expense, in any actions we may take.

XI. MISCELLANEOUS PROVISIONS

If more than one automobile is insured under this policy, this Endorsement shall apply only to the automobile(s) for which a premium for this Endorsement is shown on the Coverage Summary page. If this Endorsement applies to more than one automobile, then the coverage provided will apply as if separate policies had been issued for each automobile, subject always to the provision of Clause VII - Multiple Coverages.

PART 5 - STATUTORY CONDITIONS

Statutory Conditions 1, 8 and 9 shall apply as policy conditions with respect to Coverage Section B.

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 Act (Canada)*; and in respect of insurance against loss 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) 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; or
 - (b) unless he is for the time being either authorized by law or qualified to drive or operate the 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 license 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.
- (2) The Insured shall not permit, suffer, allow or connive at the use of the automobile:
 - (a) by any person 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; or
 - (b) 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 license or permit to drive an automobile may be issued to him; 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 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
 - (d) 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 proceedings.
- (3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witnesses and shall co-operate with the Insurer, except in a pecuniary way, in the defense of any action or proceeding or in the prosecution of any appeal.

Requirements Where Loss or Damage to the 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 the 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 of 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.

- (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.
- (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 that 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.
- (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.
- (7) There can 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.
- (8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if affected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by appraisal as provided under *The Saskatchewan 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.
- (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 or until the amount of the loss has been ascertained as therein provided or by a judgment against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.
- (3) Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year 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 one year next after the cause of action arose and not afterwards.

Who May Give Notice and Proofs 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 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;
 - (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 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 or cheque payable at par.
- (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 province. 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.

