

Commercial Auto

Policy booklet



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Table of Contents

If You Have An Accident	1
Part I General Section	2
General Provisions, Definitions and Exclusions	2
Part II Injury Payments	6
Subsection A – No Fault Coverage Extension	6
Insuring Agreements	6
Insured Person Defined	6
Net Income Defined	7
Part II Injury Payments	8
Subsection B – Tort Coverage Extension	8
Insuring Agreements	8
Insured Person Defined	8
Net Income Defined	9
Exclusions	9
Other Insurance Limitation	9
Notice and Proof of Claim	10
Medical Reports	10
Release	10
When Moneys Payable	10
Part IIIA Loss of or Damage to Insured’s Automobile(s)	11
Insuring Agreements	11
Limitation and Deductible Clause	11
Exclusions	12
Additional Agreements of Insurer	13
Agreement of Insured	13
Part IVA Liability	14
Insuring Agreements	14
Exclusions	14
Additional Agreements of Insurer	14
Agreements of Insured	15
Part IIIB Legal Liability for Damage to Non-Owned Automobiles	16
Insuring Agreements	16
Limitation and Deductible Clause	16
Exclusions	17
Special Provisions of Part IIIB	17
Part IVB Non-Owned Automobile Liability	18
Insuring Agreements	18
Exclusions	18
Additional Agreements of Insurer	18
Agreements of Insured	19
Special Provisions of Part IVB	19
Part V Family Security	20
A. Definitions for Part V	20
B. Limit of Coverage Under Part V	22
C. Payments per Person Entitled to Claim	22
D. How to Determine the Amount a Person Entitled to Claim Recovers	23
E. Special Conditions	24
F. When a Claim is Made Under Part V	24
G. Miscellaneous Provisions	25

Non-Owned Driver's	26
Part IIC – Injury Payments (Driver's)	26
Part IIIC – Legal Liability For Damage to Non-Owned Automobile(s) (Driver's)	26
Part IVC – Non-Owned Liability (Driver's)	26
Endorsements	27
ADW – Approved Driver Warranty	27
1. Blanket Basis Fleet (Annual Premium Adjustment)	27
2. Blanket Excess	28
3. Cancellation/Deletion of Coverage Endorsement (Snowmobile)	28
4. Damage to Property of Passengers.....	28
5. Driver Training School.....	28
6. Excess Value	28
7. Excluding Named Person	29
8. Fire Apparatus.....	29
9. Loss of Use	29
10. Motorcycle Underage Operator	29
11. Non-Owned Equipment.....	29
12. Notice of Cancellation	30
13. Permission to Carry Explosives.....	30
14. Permission to Carry Passengers for Compensation.....	30
15. Permission to Carry Radioactive Material	30
16. Permission to Rent or Lease (Long Term).....	30
17. Permission to Rent or Lease (Unspecified Lessees – Short Term Leases Only).....	30
18. Public Passenger Vehicles	31
19. Race Car/Truck.....	31
20. School Bus.....	31
21. School Bus Extended Use	31
22. Snowmobile Underage Operator	31
23. Stated Value.....	32
24. Theft Coverage	32
25. Private Passenger and Farm Truck Extension	32
26. Replacement or Repair Cost	32
27. Misdelivery (Loading or Unloading)	33
28. Property Damage Deductible.....	33
29. Environmental Liability Limitation	34
30. Waiver of Deductible.....	34
31. Out of Province Accident Benefits	34
32. Loss of Use Endorsement (Rental Form).....	34
33. Loss of Use Endorsement (Special Form).....	35
34. Journey Coverage	35
Statutory Conditions	37
Claims Service Information	42

If You Have An Accident

1. You should take any action needed to save lives.
2. If you have a loss which results in a claim, you **must** take all reasonable steps needed to save your vehicle from further damage. If you do not try to protect your vehicle, we will not cover any further damage to it.
3. Accidents that involve injury, death, hit and run, an impaired driver or when vehicles must be towed from the scene, must be reported to the police at once.
4. Let us know as soon as you can. Call, write, fax or email your broker or the nearest claims office. The addresses and phone numbers of the claims offices are shown on page 42.

Tell us how the accident happened and if someone was hurt or killed. You need your driver's license, auto registration certificate and your Commercial Auto Policy. You should give us the names and addresses of any witnesses. Tell us about the other driver and auto and give us any licence numbers you can. We may ask you to put your statement in writing.

5. You must not admit that you are at fault, even if you feel you were. You may not know all the facts.
6. You must not offer or make any payments or repairs without our permission. You **may** make repairs needed to save your vehicle from further damage.
7. You must cooperate fully with us as we investigate the accident, settle claims against you and defend you. You must not interfere in any legal action or discussion. But we may ask you to help us get statements from witnesses or other information or evidence we need to defend you.
8. You must give us all letters and legal papers having to do with a claim. You must do this as soon as you receive them.

Part I General Section

The Cover Page, this policy booklet and application constitute the contract between the Insurer and the Insured, and are included herein in expression, “this policy”.

The word “vehicle” in the application and word “automobile” in the policy have the same meaning.

This policy shall be subject to a minimum retained premium of \$75 or the amount shown on the Cover Page.

Coverage shall apply to vehicles:

- a) that are properly registered in the province of Saskatchewan with valid coverage under *The Automobile Accident Insurance Act* or;
- b) that are properly registered in the province of Saskatchewan with **restricted** coverage under *The Automobile Accident Insurance Act* for which an appropriate premium has been paid and the policy endorsed accordingly; or
- c) licensed in other jurisdictions for which an appropriate premium has been paid and the policy endorsed accordingly or;
- d) in continuous storage during the currency of this policy while not so registered.

Any reference to words signifying a male person includes a female person.

Limits shown on policy are in Canadian funds.

All parts of this Policy are subject to the General Provisions, Definitions, Exclusions and Statutory Conditions of this Policy.

General Provisions, Definitions and Exclusions

1. Territory

This policy applies only while the automobile is being operated, used, stored or parked within Canada, any of the 50 states in the United States of America, or Washington, D.C. You are also covered while the auto is on a ship sailing between ports of these listed regions.

2. Occupant Defined

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

3. Consent of Insured

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

4. Garage Personnel Excluded

No person who is engaged in the business of selling, repairing, maintaining, storing, servicing or parking automobiles shall be entitled to indemnity or payment under this policy for any loss, damage, injury or death sustained while engaged in the use or operation of or, while working upon the automobile in the course of that business, or who while so engaged, is an occupant of the described automobile or a newly-acquired automobile as defined in this policy, unless the person is the owner of such automobile or his employee or partner.

5. Automobile Defined

In this policy, under Part II (Injury Payments), Part IIIA (Damage to Insured’s Vehicles), Part IVA (Liability), Part IIIB (Legal Liability for Damage to Non-Owned Automobiles), or Part IVB (Non-Owned Automobile Liability) and except where stated to the contrary, the words “the automobile” mean:

- a) The Described Automobile – an automobile, trailer or semi-trailer specifically described in the policy or within the description of Insureds’ automobiles set forth therein.

- b) A Newly-Acquired Automobile – an automobile, ownership of which is acquired by the Insured who, within fourteen days following the date of its delivery to him, notifies the Insurer; and in respect of which the Insured has no other valid insurance, if either it replaces an automobile described in the application or the Insurer insures (in respect of the part or parts of the Insuring Agreements under which a claim is made) all automobiles owned by the Insured at such delivery date; and in respect of which the Insured pays an additional premium required; provided, however, that insurance hereunder shall not apply if the Insured is engaged in the business of selling automobiles.
- c) A Temporary Substitute Automobile – Under Part II (Injury Payments) and Part IVA (Liability) only, the automobile also means an automobile not owned by the Insured, nor by any person or persons residing in the same dwelling premises as the Insured, while temporarily used as the substitute for the described automobile which is not in use by any person insured by this policy because of its breakdown, repair, servicing, loss, destruction or sale.
- d) Under Part IVA (Liability) only, “the automobile” also means any automobile of the private passenger car, private van, private truck, motorhome or farm truck type, other than the described automobile, while personally driven by the Insured, or by his or her spouse if residing in the same dwelling premises as the Insured, provided that:
 - i) the Insured is an individual or are husband and wife;
 - ii) neither the Insured nor his or her spouse is driving such automobile in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles;
 - iii) such other automobile is not owned or regularly or frequently used by the Insured or by any person or persons residing in the same dwelling premises as the Insured;
 - iv) such other automobile is not owned, hired or leased by an employer or any person or persons residing in the same dwelling premises as the Insured;
 - v) such other automobile is not used for carrying passengers for compensation or hire or for commercial delivery.
- e) Under Part IVA (Liability) only, “the automobile” also means if the Insured is a corporation, unincorporated association or registered co-partnership, any automobile of the private passenger car, private van, private truck, motorhome or farm truck type, other than the described automobile while personally driven by the officer, employee or partner for whose regular use the described automobile is furnished, or by his or her spouse if residing in the same dwelling premises as such employee or partner, provided that:
 - i) neither such officer, employee nor partner nor his or her spouse is the owner of an automobile of the private passenger car, private van, private truck, motorhome or farm truck type;
 - ii) such officer, employee, partner or spouse is not driving the automobile in connection with the business of selling, repairing, maintaining, servicing, storing or parking automobiles;
 - iii) such other automobile is not owned, hired or leased or regularly or frequently used by the Insured or such officer, employee or by any partner of the Insured or by any persons residing in the same dwelling premises as any of the aforementioned persons;
 - iv) such other automobile is not used for carrying passengers for compensation or hire or commercial delivery.
- f) Trailers – Any trailer used in connection with the automobile.

6. Two or More Automobiles (Applicable Only to Part II, IIIA, IIIB, IVA & IVB)

- a) When two or more automobiles are described hereunder,
 - i) with respect to the use or operation of such described automobiles, each automobile shall be deemed to be insured under a separate policy; and
 - ii) with respect to the use or operation of an automobile not owned by the Insured, the limit of the Insurer's liability shall not exceed the highest limit applicable to any one described automobile.

Clauses 6 (a) (i) and 6 (a) (ii) shall, however, always be subject to the maximum limits stated in clause 6 (c) below.

- b) When the Insured owns two or more automobiles which are insured as described automobiles under two or more automobile insurance policies, the limit of the Insurer under this policy with respect to the use or operation of an automobile not owned by the Insured shall not exceed the proportion that the highest limit applicable to any one automobile described in this policy bears to the sum of the highest limits applicable under each policy and in no event shall exceed such proportion of the highest limit applicable to any one automobile under any policy.
- c) A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the limit(s) of liability under Parts II, IVA & IVB and separate automobiles with respect to the limit(s) of liability, including any deductible provisions, under Part IIIA and IIIB.

7. War Risk Excluded

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

8. Excluded Uses

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

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

9. Cost of Hire and Contract Cost Defined (Applicable Only to Sections IIIB & IVB)

- a) The term "cost for hire" as used in the policy means the entire amount incurred for hired automobiles and drivers when such automobiles are hired with drivers of the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured. The term "hired automobiles" as used herein means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in Item 3 of the application, but shall not include any automobiles owned in whole or in part by or registered in the name of the Insured or any partner, officer or employee of the Insured.
- b) The term "contract costs" as used in this policy means the entire amount paid by the Insured for automobiles operated under contract to the owners thereof. The term "automobiles operated under contract" as used herein means automobiles operated in the business of the Insured stated in Item 3 of the application where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or registered in the name of the Insured or any partner, officer or employee of the Insured.

10. Premium Adjustment (Applicable Only to Sections IIIB & IVB)

The advanced premiums stated in Item 12 of the application where the premium basis is (b) estimated cost of hire or contract cost, are subject to adjustment at the end of the policy period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire and/or contract cost during the policy period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated herein; if less, the Insurer shall return to the Insured the unearned premium when determined, but the Insurer shall, in any event, receive or retain not less than the minimum retained premium stated therein.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium basis or the subject matter of this policy.

Part II Injury Payments

Subsection A – No Fault Coverage Extension

Any reference to *The Automobile Accident Insurance Act* made in Subsection A shall refer to Part VIII of the Act as amended from time to time.

Insuring Agreements

When Part II Injury Payments coverage is stated on the Cover Page the Insurer agrees to make payment to or with respect to each insured person as defined in “Insured Person Defined” of this Part II who sustains bodily injury or death directly and independently of all other caused by an accident arising out of the use or operation of an automobile for:

1. Income Replacement

When benefits are provided by *The Automobile Accident Insurance Act*, this policy will supplement those benefits as follows:

- a) provide coverage for loss of net income; and
- b) increase the 90% coverage provided under the Act to 100%.

There shall be no payment under (a) above until the limit provided under the said Act has been exhausted.

2. Death Benefits

When benefits are provided by *The Automobile Accident Insurance Act*, this policy will supplement those benefits as follows:

- a) increase the limit provided to the surviving spouse to a maximum of 50% of the deceased victim’s net loss or income; and
- b) increase the limit provided to each dependent child to a maximum of 5% of the deceased victim’s net loss of income.

There shall be no payment under (a) and (b) above until the limit provided under the said Act has been exhausted.

3. Education Benefits

When benefits are provided by *The Automobile Accident Insurance Act*, this policy will supplement those benefits to a maximum of 50% of the maximum limit payable under the said Act.

There shall be no payment of benefits under this Section 3, Education Benefits until the actual and reasonable expenses incurred exceed the limit provided under the said Act.

4. Funeral Expenses

When benefits are provided by *The Automobile Accident Insurance Act*, this policy will supplement those benefits to a maximum of 50% of the maximum limit payable under the said Act.

There shall be no payment of benefits under the Funeral Expenses Section until the actual and reasonable expenses incurred exceed the limit provided under the said Act.

Limit of Liability

The Insurer’s Limit of Liability for any one occurrence under this Part II shall be:

- i) the amount shown under Part IVA, on the Cover Page, or
- ii) \$2,000,000.

whichever is the lesser.

Insured Person Defined

In this Part the words “Insured person” mean:

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

- b) the Insured and if residing in the same dwelling premises as the Insured, his or her spouse and any dependent relative of either while an occupant or any other automobile of the private passenger car, private van, private truck, motorhome or farm truck provided that:
 - i) the Insured is an individual or are two spouses in a household;
 - ii) such person is not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident;
 - iii) such other automobile is not owned, hired or leased by an employer of the Insured or by an employer of any person or persons residing in the same dwelling premises as the Insured;
 - iv) such other automobile is not used for carrying passengers for compensation or hire or for commercial delivery
- c) the Insured and if residing in the same dwelling premises as the Insured, his or her spouse, dependent children and other relatives who are residents of Saskatchewan are covered if they are hit by a motor vehicle, provided that:
 - i) they are not occupants of a motor vehicle or rolling stock that runs on rails.
 - ii) they are not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident.
 - iii) the motor vehicle involved is not rented by their employer or by the employer of someone who resides in the dwelling premises.

It is further agreed that when the Act provides benefits to a surviving dependent as if they were a spouse, then the benefits of this Part II shall respond in the same manner.

Net Income Defined

“Net income” means net income as defined in Part VIII of the Act. The maximum yearly insurable earnings as specified in the Act shall not apply.

Part II Injury Payments

Subsection B – Tort Coverage Extension

Any reference to *The Automobile Accident Insurance Act* made in Subsection B shall refer to Part II Personal Injury Benefits of the said Act as amended from time to time.

Insuring Agreements

When Part II Injury Payments coverage is stated on the Cover Page the Insurer agrees to make payment to or with respect to each insured person as defined in “Insured Person Defined” of this Part II who sustains bodily injury or death directly and independently of all other caused by an accident arising out of the use or operation of an automobile for:

1. Income Replacement

When indemnity benefits are provided by *The Automobile Accident Insurance Act*, this policy will pay you;

- a) up to an additional 25% of that amount.

2. Death Benefits

When benefits are provided by *The Automobile Accident Insurance Act*, this policy will supplement those benefits as follows:

- a) increase the limit provided to the surviving spouse to a maximum of 50% of the deceased victim’s net loss of income; and subject to the maximum annual income amount set out in *The Automobile Accident Insurance (Injury) Regulations*.
- b) increase the limit provided to each dependent child to a maximum of 5% of the deceased victim’s net loss of income.

There shall be no payment under (a) and (b) above until the limit provided under the said Act has been exhausted.

3. Funeral Expenses

When benefits are provided by *The Automobile Accident Insurance Act*, this policy will supplement those benefits to a maximum of 50% of the maximum limit payable under the said Act.

There shall be no payment of benefits under the Funeral Expenses Section until the actual and reasonable expenses incurred exceed the limit provided under the said Act.

Limit of Liability

The Insurer’s Limit of Liability for any one occurrence under this Part II shall be:

- i) the amount shown under Part IVA, on the Cover Page, or
- ii) \$2,000,000.

whichever is the lesser.

Insured Person Defined

In this Part the words “Insured person” mean:

- a) any person while an occupant of the described automobile or of a newly acquired or temporary substitute automobile as defined in this policy;
- b) the Insured and if residing in the same dwelling premises as the Insured, his or her spouse and any dependent relative of either while an occupant or any other automobile of the private passenger car, private van, private truck, motorhome or farm truck provided that:
 - i) the Insured is an individual or are two spouses in a household;
 - ii) such person is not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident;

- iii) such other automobile is not owned, hired or leased by an employer of the Insured or by an employer of any person or persons residing in the same dwelling premises as the Insured;
 - iv) such other automobile is not used for carrying passengers for compensation or hire or for commercial delivery.
- c) the Insured and if residing in the same dwelling premises as the Insured, his or her spouse, dependent children and other relatives who are residents of Saskatchewan are covered if they are hit by a motor vehicle, provided that:
- i) they are not occupants of a motor vehicle or rolling stock that runs on rails.
 - ii) they are not engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles at the time of the accident.
 - iii) the motor vehicle involved is not rented by their employer or by the employer of someone who resides in the dwelling premises.

It is further agreed that when the Act provides benefits to a surviving dependent as if they were a spouse, then the benefits of this Part II shall respond in the same manner.

Net Income Defined

“Net income” means net income as calculated in the manner set out in *The Automobile Accident Insurance (Injury) Regulations*.

Under Part II Injury Payments, the following conditions shall apply to both Subsection A and B:

Exclusions

The Insurer shall not be liable, under Part II Injury Payments of this Policy, for bodily injury or death of any person:

- a) resulting from the suicide of such person or attempt thereat whether sane or insane; or
- b) if you are entitled to receive benefits from a Workers’ Compensation law or plan, these amounts will not be covered under Part II, but additional income replacement amounts not covered by Workers’ Compensation will be considered; or
- c) caused directly or indirectly by radioactive material; or
- d) occurring while the automobile is being used in any race or speed test; or
- e) caused directly or indirectly by sickness or disease unless the claimant establishes that such sickness or disease was contracted as a direct result of an accident covered by this policy; or
- f) who is an occupant of the automobile while the automobile is being used for any illicit or prohibited trade or transportation; or
- g) who is driving while impaired, while exceeding the legal blood alcohol limit or while under the influence of drugs at the time of the accident, conviction for such offences being deemed conclusive proof; or
- h) who is an occupant of a motorcycle or snowmobile.

Other Insurance Limitation

The Insurer’s liability, under Part II Injury Payments of this policy shall be excess insurance to *The Automobile Accident Insurance Act* or any other valid or collectible insurance or plan that provides similar coverage as that provided under Part II of this policy. It is further understood and agreed that the Insurer shall not be liable for payment of any deductible or waiting period portion specified in the aforementioned Act or any plans.

Notice and Proof of Claim

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

- a) give written notice of claim to the Insurer by delivery thereof or by sending it by registered mail to the chief agency or head office of the Insurer in the province, not later than 30 days from the date of the accident;
- b) within 90 days from the date of the accident for which the claim is made, furnish to the Insurer such proof of claim as is reasonably possible in the circumstances of the happening of the accident and the loss occasioned thereby;
- c) if so required by the Insurer, furnish a certificate as to the cause and nature of the accident for which the claim is made and as to the duration of the disability caused thereby from a medical practitioner legally qualified to practice.

Medical Reports

The Insurer has the right, and the claimant shall afford to a duly qualified medical practitioner named by the Insurer, an opportunity to examine the person of the Insured's person when and as often as it reasonably requires while the claim is pending; and also, in the case of the death of the Insured person to make an autopsy, subject to the law relating to autopsies.

Release

Notwithstanding any release provided under the relevant section of *The Insurance Act* of the province, the Insurer may demand as a condition precedent to payment of any amount under this section of the policy, a release in favour of the Insured and the Insurer from liability to the extent of such payment from the insured person or his personal representative or any other person.

When Moneys Payable

- a) All amounts payable under this Part shall be paid by the Insurer within 60 days after it has received proof of claim.
- b) No person shall bring an action to recover the amount of a claim under this Part II unless the requirements of "Notice and Proof of Claim" and "Medical Reports" hereof are complied with nor until the amount of the loss has been ascertained as provided in this Part.
- c) Every action or proceeding against the Insurer from recovery of a claim under this Part shall be commenced within two years from the date on which the cause of action arose and not afterwards.

Part IIIA Loss of or Damage to Insured's Automobile(s)

Insuring Agreements

The Insurer agrees to indemnify the Insured (including the registered owner and actual owner), but only under such Subsection(s) of Part IIIA of Item 4 of the application for which a premium is specified and no other, against direct and accidental loss of or damage to the automobile, including permanently attached equipment. We also cover tarpaulins, chains, binders or straps as well as cellular and mobile phones used in connection with the insured business subject to the policy terms.

Subsection 1 – **All Perils** – from all perils except as provided in Subsection 5;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset except as provided in Subsection 5;

The words “another object” as used in the Subsection 3 shall be deemed to include:

- a) a vehicle to which the automobile is attached; and
- b) the surface of the ground and any object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage caused by perils for which insurance is provided under this Subsection 3.

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

Subsection 5 – **Road Hazard Glass** – to glass that encloses the compartment of the vehicle that has been broken by an object that was thrown up or fell from another vehicle.

Limitation and Deductible Clause

Each occurrence causing loss or damage covered under any subsection of part IIIA shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount payable, therefor, under *The Automobile Accident Insurance Act* had this policy not been issued, less the amount deductible, if any, stated in the applicable subsection of Part IIIA or Item 4 of the Application.

1. The deductible amount applies:

- a) under Subsection 1 (All Perils) for loss or damage other than by fire, lightning or theft of an entire auto;
- b) under Subsection 2 (Collision or Upset) for loss or damage caused by collision with another object or by upset;
- c) under Subsection 3 (Comprehensive) for all losses other than by fire, lightning or theft of an entire auto;
- d) under Subsection 4 (Specified Perils) for loss or damage other than by fire, lightning or theft of an entire auto;
- e) under Subsection 5 (Road Hazard Glass) for loss or damage to glass as described in Subsection 5.

2. No Deductible

If *The Automobile Accident Insurance Act* deductible or a lower value deductible has been purchased and the policy endorsed accordingly, no deductible shall apply under Subsections 1 (All Perils), 3 (Comprehensive) and 4 (Specified Perils):

- a) for loss by fire, lightning or theft of an entire auto;
- b) also, no deductible shall apply under Subsection 5 (Glass) on any vehicle with a \$100 deductible, when the windshield is repaired by the "Novus Type" of windshield repair.

3. Limitation of Amount Payable

Wherever *The Automobile Accident Insurance Act* limits the amount payable for any automobile insured by this policy, the Insurer shall not be liable under Part IIIA of this policy for any amounts in excess of the limitation provided by such Act, unless such excess value has been declared to the Insurer and a premium paid therefor. The amount of protection excludes; *Automobile Accident Insurance Act* coverage.

Exclusions

1. The Insurer shall not be liable under any subsection of Part IIIA for loss or damage:
 - a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of the automobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft, or malicious mischief covered by such subsection; or
 - b) caused by the conversion, embezzlement, theft or secretion by any person in lawful possession of the automobile under a mortgage, conditional sale, lease or other similar written agreement; or
 - c) caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence; or
 - d) caused directly or indirectly by contamination by radioactive materials or by other atmospheric contaminates; or
 - e) to audio/visual equipment not attached to the vehicle; or
 - f) to contents of trailers or to rugs or robes; or
 - g) unless the described automobile is in fact, and as required by law, registered with *The Traffic Safety Act*. and with valid coverage under *The Automobile Accident Insurance Act* at the time the loss or damage occurred, unless the Insured establishes that the automobile was in continuous storage during the currency of this policy while not so registered.
2. The Insurer shall not be liable under Subsections 1 (All Perils), 3 (Comprehensive) or 4 (Specified Perils) for loss or damage:
 - a) caused by theft by any person or persons residing in the same dwelling premises as the Insured, or by an employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not; 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 the dwelling premises of the Insured; or
 - d) caused by and confined to soiling of upholstery, scratching of any part of the automobile, unless such loss or damage is the result of other loss covered by this Subsection.

Additional Agreements of Insurer

Where loss or damage arises from a peril for which premium is specified under a subsection of this section, the Insurer further agrees:

- a) to pay general average, salvage and fire department charges and customs duties of Canada or the United States for which the Insured is legally liable;
- b) to waive subrogation against every person who, with the Insured's consent, has care, custody or control of the automobile, provided always that this waiver shall not apply to any person:
 - 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 the Insured and any other person who personally drives a temporary substitute automobile as defined in the General Provisions of this policy against the liability imposed by law or assumed by the Insured or such other person under any contract or agreement for direct and accidental physical loss or damage to such automobile and arising from the care, custody and control thereof, provided always that:
 - i) such indemnity is subject to the deductible clause and exclusions of each such subsection;
 - ii) if the owner of such automobile has or places insurance under *The Automobile Accident Insurance Act* or otherwise against any peril insured by this section, the indemnity provided herein shall be limited to the sum by which the deductible amount, if any, of such other insurance exceeds the deductible amount stated in the applicable subsection of this policy;
 - iii) the Additional Agreements under Part IVA of this Policy shall insofar as they are applicable, extend to the indemnity provided herein.
- d) Loss of use by theft where indemnity is provided under Subsections 1, 3, 4 of Part IIIA hereof, the Insurer further agrees, following a theft of the entire automobile covered thereby, to reimburse the Insured for expense not exceeding \$50 for any one day nor totalling more than \$750 incurred for the rental of a substitute automobile including taxicabs and public means of transportation. Reimbursement is limited to such expense after such theft has been reported to the Insurer or the police and terminating, regardless of the expiration of the policy period;
 - i) upon the date of the completion of repairs to or the replacement of the vehicle lost or damaged; or
 - ii) upon such earlier date as the Insurer makes or tenders settlement for the loss or damage caused by such theft.
- e) to pay up to \$600 for the cost of replacing your keys, including Intelligent Keys with Push Button Ignition, or rekeying your locks if your keys were stolen. We will not subtract the policy deductible from the amount of your claim. Your vehicle must have Comprehensive or All Perils coverage. If the amount of loss is greater than \$600, the remainder of the loss is subject to the policy deductible. We do not pay for changing the ignition or lock tumblers if we can replace the key.

Agreement of Insured

The Insured, if engaged in the business of selling, repairing or servicing automobiles, agrees in the event of loss or damage for which indemnity is provided by any Subsection(s) of Part IIIA of this policy, to replace the property or make the necessary repairs at the actual cost to the Insured if so required by the Insurer.

Part IVA Liability

Insuring Agreements

If a premium is specified under Part IVA, the Insurer agrees to indemnify the Insured, including the registered and actual owner, and in the same manner and to the same extent as if named herein as the Insured, every other person who, with his consent, personally drives the automobile or operates any part thereof, against the liability imposed by law upon the Insured, or upon any such other person, for loss or damage arising from the ownership, use or operation of the automobile and resulting from bodily injury to or death of any person or damage to property.

This policy shall cover each named Insured as if separate policies had been issued to each, but nothing herein shall operate to increase the Insurer's liability as set forth elsewhere in this policy beyond the amount or amounts for which the Insurer would be liable if there had been only one named insured.

Exclusions

The Insurer shall not be liable under this section:

- a) for any liability imposed by any workers' compensation law upon any person insured by this section; or
- b) for loss or damage resulting from bodily injury to or the death of any employee of any person insured by this section while engaged in the operation or repair of the automobile; or
- c) for loss of or damage to property carried in or upon the automobile or to any property owned or rented by, or in the care, custody or control of any person insured by this section; or
- d) for any amount, except to the extent that insurance money otherwise payable for liability for loss or damage to persons or property under *The Automobile Accident Insurance Act*, had this policy not been issued, does not constitute a complete indemnity to the Insured for such liability, and in no event exceeding the limits stated in Part IVA of Item 4 of the application and expenditures provided for in the Additional Agreements of this Part IVA of this policy; or
- e) for any amount unless the described automobile at the time of any occurrence is in fact and as required by law registered with *The Traffic Safety Act* and with valid *Automobile Accident Insurance Act* coverage unless the Insured establishes that the automobile was in continuous storage during the currency of this policy while not so registered; or
- f) for loss or damage resulting from bodily injury to or the death of any person or damage to property arising directly or indirectly out of the nuclear energy hazard except to the extent specifically provided in such case by *The Saskatchewan Insurance Act*; or
- g) for loss or damage arising from the ownership, use or operation of machinery or apparatus, including its equipment, mounted on or attached to the automobile, while at the site of the use or operation of such machinery or apparatus, wherever applicable; or
- h) for bodily injury or death for which protection is provided under Part VIII of *The Automobile Accident Insurance Act*.
- i) for any loss or damage arising from the operation of a motor vehicle by any person insured under this section where that person wilfully caused or attempted to cause damage.

Additional Agreements of Insurer

Where indemnity is provided by this section, the Insurer shall:

- a) upon receipt of notice of loss or damage caused to persons or property, serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and

- b) defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- c) pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limit(s) of the Insurer's liability; and
- d) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- e) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit(s) stated in Part IVA of Item 4 of the application; and
- f) not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

Agreements of Insured

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

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

Part IIIB Legal Liability for Damage to Non-Owned Automobiles

Insuring Agreements

The Insurer agrees to indemnify the Insured, but only under such subsections of Part IIIB of Item 12 of the application for which a premium is specified and no other, against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of any automobile not owned in whole or in part by or registered in the name of the Insured and resulting from loss or damage thereto, caused solely by:

Subsection 1 – **All Perils** – from all perils except as provided in Subsection 5;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset except as provided in Subsection 5;

The words “another object” as used in this Subsection 3 shall be deemed to include:

- a) a vehicle to which the automobile is attached; and
- b) the surface of the ground and any other object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage caused by perils for which insurance is provided under this Subsection 3.

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

Subsection 5 – **Road Hazard Glass** – to glass that encloses the compartment of the vehicle that has been broken by an object that was thrown up or fell from another vehicle.

Limitation and Deductible Clause

Each occurrence causing loss or damage covered under any Subsection of Part IIIB shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage, less the amount deductible, if any, stated in the applicable Subsection of Part IIIB of Item 12 of the Application; however the Insurer shall not be liable for more than the Amount of Protection shown on the Cover Page.

1. The deductible amount applies:

- a) under Subsection 1 (All Perils) for loss or damage other than by fire, lightning or theft of an entire auto;
- b) under Subsection 2 (Collision or Upset) for loss or damage caused by collision with another object or by upset;
- c) under Subsection 3 (Comprehensive) for all losses other than by fire, lightning or theft of an entire auto;
- d) under Subsection 4 (Specified Perils) for loss or damage other than by fire, lightning or theft of an entire auto;
- e) under Subsection 5 (Road Hazard Glass) for loss or damage to glass as described in Subsection 5.

Exclusions

1. The Insurer shall not be liable under any subsection of Part IIIB for loss or damage:
 - a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of the automobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft, or malicious mischief covered by such subsection; or
 - b) caused by the conversion, embezzlement, theft or secretion by any person in lawful possession of the automobile under a mortgage, conditional sale, lease or other similar written agreement; or
 - c) caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence; or
 - d) caused directly or indirectly by contamination by radioactive material or by other atmospheric contaminants; or
 - e) to audio/visual equipment not attached to the vehicle; or
 - f) to contents of trailers or to rugs or robes; or
 - g) unless the described automobile is in fact, and as required by law, registered with *The Traffic Safety Act* at the time the loss or damage occurred, unless the Insured establishes that the automobile was in continuous storage during the currency of this policy while not so registered.
2. The Insurer shall not be liable under Subsections 1 (All Perils), 3 (Comprehensive) or 4 (Specified Perils) for loss or damage;
 - a) caused by theft by any person or persons residing in the same dwelling premises as the Insured, or by an employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not; 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 the dwelling premises of the Insured; or
 - d) caused by and confined to soiling of upholstery, scratching of any part of the automobile, unless such loss or damage is the result of other loss covered by this subsection.

Special Provisions of Part IIIB

1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured, who with the consent of the owner thereof, personally drives:

- a) in any business of the Insured stated in Item 12 of the application, any automobile not owned in whole or in part by or registered in the name of the Insured.
- b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or registered in the name of such additional Insured person.

Part IVB Non-Owned Automobile Liability

Insuring Agreements

If a premium is specified, the Insurer agrees to indemnify the Insured under Part IVB against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or registered in the name of the Insured, and resulting from bodily injury to or the death of any person, or damage to the property of others not in the care, custody, or control of the Insured.

This policy shall cover each named Insured as if separate policies had been issued to each, but nothing herein shall operate to increase the Insurer's liability as set forth elsewhere in this policy beyond the amount or amounts for which the Insurer would be liable if there had been only one named Insured.

Exclusions

The Insurer shall not be liable under this policy:

- a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual except the use or operation of the automobile in the business of the Insured; or
- b) for any liability imposed upon any person insured by this policy;
 - i) by any workers' compensation law; or
 - ii) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- c) for any liability assumed by any person insured by this policy under any contract or agreement, other than a short-term lease agreement or other agreements of which the Insurer has been specifically advised; or
- d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- e) for any amount in excess of the limit stated in Part IVB of Item 12 of the application and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of *The Saskatchewan Insurance Act* (Automobile Insurance Part) relating to the nuclear energy hazard; or
- f) for loss or damage arising from the ownership, use or operation of machinery or apparatus, including its equipment, mounted on or attached to the automobile, while at the site of the use or operation of such machinery or apparatus, wherever applicable; or
- g) for bodily injury or death for which protection is provided under Part II or Part VIII of *The Automobile Accident Insurance Act*.

Additional Agreements of Insurer

Where indemnity is provided by this policy, the Insurer further agrees:

- a) upon receipt of notice of loss or damage caused to persons or property, serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- b) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and

- c) to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
- d) in case the injury be to a person, to reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- e) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Part IVB of Item 12 of the application; and
- f) not to set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

Agreements of Insured

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

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

Special Provisions of Part IVB

1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured, who with the consent of the owner thereof, personally drives:

- a) in the business of the Insured stated in Item 12 of the application, any automobile not owned in whole or in part by or registered in the name of the Insured.
- b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or registered in the name of such additional Insured person.

Part V Family Security

We agree to give protection under the provisions of this Part V if the Cover Page shows this coverage and the conditions have been followed as required by this Policy.

A. Definitions for Part V

You or Your

1. The person or persons named on the Cover Page. We also mean Your Spouse if living with You and any Relative in Your Care.

We will provide coverage only while:

- a) You are an occupant of the Motor Vehicle covered by this policy.
 - b) You are an occupant of another Auto, but we will not cover the person or persons who own or register this other Auto. Also we will not cover the person who leases this other Auto for more than 30 days.
 - c) You are not an occupant of a Motor Vehicle and are hit by a Motor Vehicle.
2. If the name on the Cover Page is that of a corporation, association or partnership, we mean the officer, employee or partner who is assigned the Motor Vehicle covered on this policy solely for this individual's own use. We also mean Your Spouse if living with You and any Relative in Your Care.

We will provide coverage only while:

- a) You are an occupant of the Motor Vehicle covered by this policy.
 - b) You are an occupant of another Auto, but we will not cover the person or persons who own or register this other Auto. Also we will not cover the person who leases this other Auto for more than 30 days. However, we will extend coverage if this other Auto is owned or registered by the corporation, association or partnership named on the Cover Page but only if Family Security coverage is in force on that other Auto.
 - c) You are not an occupant of a Motor Vehicle and are hit by a Motor Vehicle.
3. If the name on the Cover Page is that of a corporation, association or partnership, we mean the officer, employee or partner who regularly uses the Motor Vehicle covered on this policy. We also mean Your Spouse if living with You and any Relative in Your Care.

We will provide coverage only while You are an occupant of the Motor Vehicle covered by this policy.

Person(s) Entitled to Claim

Means You if You have suffered bodily injury. It also means anyone who, under Saskatchewan law, would have the right to bring an action against the Underinsured Motorist, if the accident had happened in Saskatchewan, for damages because of bodily injury to You or Your death.

Limit of Family Security Protection

Is the aggregate limit shown on the Cover Page for Family Security. If a policy condition is breached and the Part IVA limit of this policy is reduced to the minimum limits of the jurisdiction where the accident took place then the Limit of Family Security Protection will also be reduced to that same limit.

Motor Vehicle

A motor-driven land vehicle for which Motor Vehicle liability insurance would be required in Saskatchewan.

Auto

A Motor Vehicle that is of one of the following types – private passenger car, private van, private truck, motorhome or farm truck.

Limit of Motor Vehicle Liability Insurance

Is the liability coverage on a Motor Vehicle liability policy or any bonds, cash deposits or other financial guarantees which the law requires instead of such insurance. Any Limit of Motor Vehicle Liability Insurance on any policy is the amount shown on that policy even if those amounts have been reduced by the payment of any claims. But if a policy condition is breached and the liability coverage on a Motor Vehicle liability policy is reduced to the statutory minimum limits of the jurisdiction where the accident took place then that minimum limit will be the Limit of Motor Vehicle Liability Insurance.

Relative in Your Care

Is a person who is primarily dependent on You or Your Spouse for financial support. This person must be:

- a) less than 18 years of age and living with You or in full time attendance at a school; or
- b) 18 years of age or older and be in Your care because of a physical or mental handicap; or
- c) 18 years of age or older and in full time attendance at a school; or
- d) Your parent or relative living with You.

Spouse

The Spouse of the person(s) named on the Cover Page. Spouse also means either of two persons of the same or opposite sex who have been continuously living together for two years in a conjugal relationship outside marriage, or one year if they are the natural or adoptive parents of a child.

Uninsured Motor Vehicle

An "Uninsured Motor Vehicle" under this part means a Motor Vehicle for which neither the owner nor driver has applicable and collectible bodily injury liability insurance for its ownership use or operation, but shall not include a Motor Vehicle owned by or registered in the name of:

- a) the named Insured or by any person residing in the same dwelling premises therewith; or
- b) the governments of Canada or the United States 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 Motor Vehicles.

Underinsured Motorist

This term means:

- a) the known owner or known driver of a Motor Vehicle where the combined Limit of Motor Vehicle Liability Insurance for the owner and driver is less than the Limit of Family Security Protection;
- b) the known owner or known driver of an Uninsured Motor Vehicle as defined above;
- c) this term does not include an owner or driver whose identity can not be established;

Provided that:

- a) For the purpose of this definition and for the purpose of determining our maximum liability under B. Limit of Coverage under Part V, when Persons Entitled to Claim are entitled to recover damages from an Underinsured Motorist and the owner or driver of any other Motor Vehicle, the Limit of Motor Vehicle Liability Insurance shall be the total of all Limits of Motor Vehicle Liability Insurance available.

- b) For the purpose of this definition and for the purpose of determining our maximum liability under B. Limit of Coverage under Part V, when Persons Entitled to Claim are entitled to recover damages from a known owner or known driver of an Uninsured Motor Vehicle any uninsured motorist coverage or unsatisfied judgment fund available to Persons Entitled to Claim shall be considered to be a policy of Motor Vehicle Liability Insurance and the maximum amount payable under the coverage or by the fund shall be considered to be the "Limit of Motor Vehicle Liability Insurance".

Family Security

Refers to the coverage provided under this Part V and any similar type of protection under any Insurance plan or contract.

B. Limit of Coverage Under Part V

1. Our maximum liability under this Part for any one occurrence, regardless of the number of claims which arise from the occurrence, is the amount by which the Limit of Family Security Protection 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 jointly liable person. If the total value of the claims, of all Persons Entitled to Claim, exceed our maximum liability under this Part, the payment to each of the Persons Entitled to Claim will be reduced so that the total amount that we pay does not exceed our maximum liability under this Part.
2. If coverage under this Part applies as "excess" then our maximum liability will be the amount determined in 1. above, less any amounts available to the Persons Entitled to Claim under any "first loss insurance", referred to in E. Special Conditions paragraph 1.

C. Payments per Person Entitled to Claim

1. The amounts to be paid to the Persons Entitled to Claim under this Part are found by determining the amount of damages each person is legally entitled to recover from the Underinsured Motorist and subtracting from each person's entitlement the amounts they could receive from the sources referred to in paragraph 2 below, however, in no event shall the total of all payments to all Persons Entitled to Claim exceed our maximum liability referred to in B. Limit of Coverage under Part V paragraph 1.
2. Payments under this Part are in excess of the amounts listed in (b) below, and Persons Entitled to Claim may claim only those amounts that are in excess of:
 - a) the amount a Person Entitled to Claim has actually recovered, not counting money received under a policy of Life Insurance because of death.
 - b) the amounts a Person Entitled to Claim is entitled to recover, whether such entitlement is pursued or not from:
 - i) the insurers of the Underinsured Motorist and from bonds, cash deposits or other financial guarantees of the Underinsured Motorist,
 - ii) the insurers of any person jointly liable with the Underinsured Motorist for damages You sustained,
 - iii) the Societe de L'Assurance Automobile due Quebec, the Ontario Motorist Protection Plan, the Personal Injury Protection Plan (Manitoba), the Personal Injury Protection Plan (Saskatchewan) or any similar plan,
 - iv) any unsatisfied judgment fund or similar plan,
 - v) any uninsured motorist coverage of any Motor Vehicle liability policy,
 - vi) any Motor Vehicle accident benefits plan in the place where the accident took place,
 - vii) any policy of insurance that provides disability, loss of income, medical or rehabilitation benefits,

- viii) any policy of insurance, other than Life Insurance, that provides death benefits,
- ix) any *Workers' Compensation Act* or similar law applicable to the injury or death which occurred,
- x) any medical, surgical, dental or hospitalization plan or law,
- xi) any other Family Security coverage on a Motor Vehicle liability policy.

3. If there is more than one Person Entitled to Claim under this Part and the total of their claims exceeds the maximum liability determined under B. Limit of Coverage under Part V, we will pay each Person Entitled to Claim a *pro rata* portion of our maximum liability.

If a Person Entitled to Claim gives actual notice of a claim after a payment has already been made to Persons Entitled to Claim under this Part, then the maximum liability, determined under B. Limit of Coverage under Part V, shall be reduced by the amounts paid to the prior claimants.

D. How to Determine the Amount a Person Entitled to Claim Recovers

1. For Accidents occurring in Saskatchewan:
 - a) When we agree that the total amount of the claims will result in payments under this Part V we will meet with the Person Entitled to Claim to decide what the amount of the payment should be.
 If both of us cannot agree on the amount of the payment such amount shall be determined by arbitration. The Person Entitled to Claim will choose an arbitrator and we will choose an arbitrator. The two arbitrators will choose an umpire. The provisions of the *Arbitration Act* (Saskatchewan) shall apply to the arbitration.
 - b) When we do not agree that the total amount of the claims will result in payments under Part V either because of the issue of liability for the accident giving rise to the claims or because of the issue of the damages resulting from the accident or both said issues, these issues or either one of them, shall be resolved in a court action in Saskatchewan by the Person Entitled to Claim against the alleged Underinsured Motorist and any other alleged responsible parties.
 Subject to any right of appeal, we and the Person Entitled to Claim will be bound by the Court's decision.
 If requested by us the Person Entitled to Claim will join us as a party to the action.
2. For Accidents occurring outside Saskatchewan:
 - a) The Person Entitled to Claim shall bring an action to judgment against the alleged Underinsured Motorist and any other alleged responsible parties. We will be bound by the Court's decision on liability but we will not be bound by the Court's decision on the amount of damages the Person Entitled to Claim is found legally entitled to recover from the alleged Underinsured Motorist and any another alleged responsible parties.
 If, before court action or judgment, the Person Entitled to Claim receives a settlement offer from the alleged Underinsured Motorist and/or any other alleged responsible parties, the Person Entitled to Claim may, upon conveying the settlement offer and all terms thereof to us and receiving our consent in writing, accept the settlement offer.
 - b) Once the Person Entitled to Claim has concluded a settlement or obtained judgment against the Underinsured Motorist or any other responsible parties, we will meet to decide whether any amount is payable under this Part and if so what the amount of the payment should be.

If both of us cannot agree whether any amount is payable under this Part or what the amount of the payment should be then either or both of these issues shall be determined by arbitration. The Person Entitled to Claim will choose an arbitrator and we will choose an arbitrator. The two arbitrators will choose an umpire. The provisions of *The Arbitration Act*, (1992) shall apply to the arbitration.

The question of an appropriate dollar amount of compensation for the loss of a Person Entitled to Claim shall be determined by the law of Saskatchewan.

3. The amounts legally entitled to be recovered by a Person Entitled to Claim shall not include:
 - a) Any amounts for any pre-judgment interest.
 - b) Any amounts for punitive, exemplary, aggravated or other noncompensatory damages caused by the conduct of the Underinsured Motorist or any other person who is jointly liable.
 - c) Any amounts for any costs if the Underinsured Motorist is insured.

E. Special Conditions

1. If a Person Entitled to Claim has the right to recover damages under the Family Security coverage of more than one policy and:
 - a) You are an occupant of an Auto then the protection on the Auto in which you are an occupant is "first loss insurance" and any other such protection would be "excess", or
 - b) You are not an occupant of a Motor Vehicle, then the protection on any policy in Your name is "first loss insurance" and any other such protection would be "excess", or
 - c) You are an occupant of a Motor Vehicle insured by this policy, then the protection on the Motor Vehicle in which you are an occupant is "first loss insurance" and any other such protection would be "excess".

By "first loss insurance" we mean a coverage which must be used up before any "excess" insurance comes into play.

All "first loss insurance" for all Family Security coverage shall be paid on a *pro rata* basis. In no event will the aggregate pay out be more than the highest limit on any one of the "first loss insurance" Family Security coverages.

Also all "excess" Family Security coverages will be paid on a *pro rata* basis. In no event will the aggregate pay out be more than the highest limit set out in B. Limit of Coverage under Part V paragraph 2 of any one of the "excess" Family Security coverages.

2. Some states and provinces, such as Quebec, Manitoba and Saskatchewan have laws that bar the rights to sue for bodily injury or death in a Motor Vehicle accident. Part V coverage does not apply where such laws are in force.
3. If payment has been made under this Part, we assume the rights of a Person Entitled to Claim to take any action, in their name, against the Underinsured Motorist or any of the sources listed in C. Payments per Person Entitled to Claim paragraph 2.
4. When a payment is made under this Part the person receiving the payment assigns all rights of action to us and agrees to co-operate in any actions we may take.

F. When a Claim is Made Under Part V

1. Before we become liable, a Person Entitled to Claim must:
 - a) tell us promptly, in writing, of any loss involving Your injury or death and give an account of the claim. This notice should include all available particulars and it should also include any known particulars about the insurance of the alleged responsible party and the details of the loss.

- b) tell us of all policies which may provide coverage to the Persons Entitled to Claim.
 - c) submit to examination under oath and produce all related documents in their possession or control that relate to the claim. This applies to You as well. We will make all requests in a reasonable time.
2. Person Entitled to Claim must deliver to us, in person or by registered mail, a copy of any Statement of Claim or other documents commencing action against the responsible party.
 3. Any claim against us must be made within 12 months from the date when the Persons Entitled to Claim or their representative(s) should have known that the value of all the claims would exceed the statutory minimum limits of the place where the accident happened.

G. Miscellaneous Provisions

1. If more than one Motor Vehicle is covered by this policy, Part V Family Security shall apply only to the Motor Vehicles which show(s) Part V Family Security as being included. If more than one Motor Vehicle on this policy carries Part V Family Security the protection provided will apply as if separate policies had been issued to each Motor Vehicle.
2. If the Motor Vehicle covered by this policy carries a Permission to Rent or Lease (Long Term) Endorsement the Lessee shall be the person(s), corporation, association or partnership defined as You or Your in A. Definitions for Part V.

Non-Owned Driver's

This coverage shall apply only if a premium is specified on the Cover Page. Wherever the word "Insured" or "Insured person" is shown, it shall mean the named Insured(s) only; otherwise, coverage is as set out in the Commercial Auto Pak policy, subject to the following amendments:

Part IIC – Injury Payments (Driver's)

The Insurer agrees to make payment to, or with respect to each Insured person as defined in this section of the policy, 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 while the Insured is personally in control as driver or occupant, other than an automobile owned by or licensed in the name of the Insured. Coverage will apply on the basis of Part II Injury Payments.

Part IIIC – Legal Liability For Damage to Non-Owned Automobile(s) (Driver's)

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control within the coverage "Territory", of any automobile, including its equipment, not owned by or licensed in the name of the Insured or by any person residing in the same dwelling premises as the Insured, and resulting from loss of or damage thereto caused by the perils described herein for which a premium is specified herein and no other. Provided always that:

- Insured is personally in control as driver or occupant;
- Such automobile is being used with the consent of the owner thereof;
- Not more than one such automobile shall be in the care, custody or control of the Insured at any one time.

Part IVC – Non-Owned Liability (Driver's)

The insuring agreements of Part IVA Liability shall be deemed to be amended to the extent that this insurance shall apply while and only while the Insured is personally in control, as driver or occupant of any automobile other than an automobile owned by or licensed in the name of the Insured and shall not insure the liability of any other person.

Endorsements

(Only those endorsements shown on the policy cover page apply)

ADW – Approved Driver Warranty

It is a condition for which this policy is written that coverage shall only respond to loss of damage while the insured automobile is being operated by a person:

- 1) Included on the approved drivers list on file with the Insurer; or
- 2) Hired by the Insured and not included on the approved drivers list on file with the Insurer, provided the person meets all of the following criteria:
 - a) Holds a valid and appropriate class of drivers licence for the vehicle being operated.
 - b) Has no more than three (3) moving traffic violations/at fault accidents combined in the three (3) years preceding the date of hire by the Insured.
 - c) Has no criminal code convictions in the three (3) years preceding the date of hire by the Insured.

This warranty applies to all self-propelled vehicles insured by this Policy except the following Auto Fund licence class.

Class 5 Vehicles

Cars, vans, two axle trucks, two axle vehicles having a trailer(s) or vehicle(s) in tow where the gross weight of the (combined) towed unit(s) does not exceed 4600 Kgs., buses when not transporting passengers, three axle self-propelled motor homes, taxis and ambulances when not used for hire.

Note: Approval of any driver under this warranty applies only to the insurance provided by this Policy and does not constitute approval under *The Automobile Accident Insurance Act*. It is the Insured's responsibility to ensure that each driver meets the legal licensing requirements for the type of vehicle to be operated. In no circumstances should approval of a driver within this contract be construed as permission or authorization as required by law to operate any vehicle.

1. Blanket Basis Fleet (Annual Premium Adjustment)

It is hereby understood and agreed that:

- a) The policy shall provide insurance with respect to all vehicles owned by and/or licensed in the name of the Insured and/or leased to the Insured in the province(s) of Saskatchewan, **other provinces if shown on the Cover Page**, during the policy period against those perils mentioned in Item 4 of the application, but only under the section(s) for which a premium is specified in such item and no other, and upon the terms and conditions of the policy and for the limits and amounts specified in Item 4 of the application.
- b) The schedule of vehicles filed with the Insurer includes all vehicles owned by and/or licensed in the name of the Insured and/or leased to the Insured in the province(s) of Saskatchewan, **other provinces if shown on the Cover Page**, at the effective date of the policy. No coverage is provided by this endorsement on any automobile owned or leased by the Insured prior to the effective date of the policy which is not included on the schedule of automobiles filed with the Insurer until a request for coverage has been filed with the Insurer.
- c) The total premium stated in Item 4 of the application is an advance premium only.

- d) The advance premium is subject to adjustment at the end of the policy period when the Insured shall deliver to the Insurer a written statement with effective dates of all additions to and deletions from the original schedule of vehicles during such policy period. If the premium computed in accordance with the rates specified in the schedule for each type of vehicle on a *pro rata* basis for such additional or deleted vehicles exceeds the advance premium stated in Item 4 of the application, the Insured shall immediately pay such additional premium; if less, the Insurer shall refund to the Insured the return premium due when determined.
- e) The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insurer insofar as they relate to the premium basis or the subject matter of the policy.

2. Blanket Excess

Excess value coverage shall be provided for all vehicles where such values have not been declared and premium paid under *The Automobile Accident Insurance Act*. Coverage shall not apply to any trailer(s) or semi-trailer(s) with a value less than that declared upon registration of said trailer(s) or semi-trailer(s). It is further understood and agreed that vehicle values in excess of the coverage provided by *The Automobile Accident Insurance Act* must be declared to the Insurer annually. The Insurer shall not be liable under Part IIIA for any amount in excess of the actual cash value for loss or damage or the value declared, whichever is the lesser. A premium adjustment will be made annually based on the vehicle values declared.

3. Cancellation/Deletion of Coverage Endorsement (Snowmobile)

It is understood and agreed that in the event of cancellation of this policy by the Insured, or deletion of a snowmobile, or the deletion of any coverage on a snowmobile, the premium to be retained by the Insurer shall be calculated as follows, subject to the Minimum Retained Premium stated elsewhere in this policy:

- a) Twenty-five percent (25%) of the annual premium for each month or part thereof from December through February;
- b) Fifteen percent (15%) of the annual premium for the months of November and March or parts thereof;
- c) Five percent (5%) of the annual premium for each remaining month or part thereof.

4. Damage to Property of Passengers

Part IVA of the policy is extended to indemnify the Insured, and in the same manner and to the same extent as if named herein as the Insured, every other person who with the Insured's consent personally drives the automobile, against the liability imposed by law upon the Insured, or upon such other person, resulting from accidental damage to the property of passengers while such property is being carried in or upon the automobile(s) described in the policy, provided that the Insurer shall not be liable under this endorsement for any amount in excess of the **amount shown on the Cover Page** (exclusive of interest and costs) for any one accident.

5. Driver Training School

Permission is hereby given for the automobile to be used to carry passengers for compensation or hire for driver training school purposes only.

6. Excess Value

Where the insurance payable under *The Automobile Accident Insurance Act* is limited by the Regulations to *The Automobile Accident Insurance Act*, it is understood and agreed that the Insurer shall not be liable under Part IIIA for any amount in excess of the actual cash value at the time the loss or damage occurs or in excess of the **amount shown on the Cover Page**, whichever is the lesser. Coverage shall not apply to any trailer(s) or semi-trailer(s) with a value less than the amount declared

upon registration of the trailer(s) or semi-trailer(s). The amount shown on the Cover Page excludes coverage under *The Automobile Accident Insurance Act*.

7. Excluding Named Person

Notwithstanding the indemnity provided under Part IIIA or under Part IVA hereof the Insurer shall not be liable for any indemnity under the said Part IIIA or Part IVA in respect of any claim arising out of any accident which occurs when the automobile is being driven by the person name **on the Cover Page**.

8. Fire Apparatus

The Insurer shall not be liable under Part IIIA of the policy to which this endorsement is attached for loss or damage to fire-fighting, rescue or salvage equipment which has been removed from the automobile while the automobile is at the location of a fire.

9. Loss of Use

(For use only with Non-Commercial Use Vehicles)

Coverage under Part IIIA shall be subject to the **Amount Shown on the Cover Page**. We will cover you for additional costs you incur after your auto is stolen or damaged. The Insurer will pay the lesser of:

- a) actual transportation costs or
- b) a maximum of the limit shown on the Cover Page.

The loss or damage must be due to an insured loss for which the vehicle is covered and shall only apply to vehicles used for non-commercial use or farm use. Payment starts after the Insured notifies the police or Insurer and ends when one of the following occurs:

- 1) Vehicle is repaired.
- 2) Vehicle is replaced.
- 3) 72 hours after vehicle is declared a total loss by Insurer and Insurer has made an offer to pay the loss.

Coverage provided by this endorsement is extended to cover "Downtime" charges for a rented non-owned automobile which is covered under this policy.

10. Motorcycle Underage Operator

Permission is hereby granted for the described motorcycle to be operated on private property, with the consent of the Insured, by a person under the age of sixteen (16) years.

The Insured shall not in any event permit, suffer, allow or connive at the use of the motorcycle by any person under the age of twelve (12) years. It is further understood and agreed that his coverage shall be restricted to vehicles of not more than 50 c.c.'s.

Clause (b) of Subsection (2) of Statutory Condition 2 set forth in this policy is amended accordingly, but only to the extent necessary to give effect to this endorsement.

11. Non-Owned Equipment

With respect to tank(s), pump(s), meter(s), apparatus, machinery or equipment owned by persons other than the Insured which are normally attached to the automobile:

- a) Part IVA of the policy applies to the use or operation thereof while in the care, custody or control of the Insured; and
- b) if insurance is provided by this policy under one or more of the subsections of Part IIIA, the insurance under the said subsections applies to the above-mentioned tank(s), pump(s), meter(s), apparatus, machinery or equipment while in the care, custody or control of the Insured but the Insurer shall not be liable with respect to loss or damage thereto for any amount in excess of the actual cash value at the time the loss or damage occurs. Loss, if any, shall be payable jointly to the Insured and to **the names shown on the Cover Page** as their interest may appear.

12. Notice of Cancellation

Notwithstanding anything contained in the policy to the contrary, it is understood and agreed that in the event of cancellation of the policy, it shall be a condition of the policy that the Insurer shall give notice of said cancellation to those **shown on the Cover Page**.

13. Permission to Carry Explosives

Permission is hereby given for the automobile to be used to carry explosives as described **on the Cover Page** and no other.

14. Permission to Carry Passengers for Compensation

Permission is hereby given for the automobile to be used to carry passengers for compensation or hire.

15. Permission to Carry Radioactive Material

Permission is hereby given for the automobile to be used to carry the types of radioactive material as described **on the Cover Page** and no other.

16. Permission to Rent or Lease (Long Term)

Permission is hereby given for the automobile to be rented or leased to the person specified **on the Cover Page**, hereinafter called the Lessee. The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, the Lessee and every other person who with the Lessee's consent personally drives the automobile. The amount of insurance provided by the policy including this endorsement shall not exceed the limits and amounts specified in Item 4 of the policy application. It is hereby understood and agreed that:

- 1) exclusion (c) of Part IVA of the policy to which this endorsement is attached is amended to read as follows:
 - c) for loss of or damage to property carried in or upon the automobile or to any property owned or rented by, or in the care, custody or control of the Lessee or any other person who personally drives the automobile; or
- 2) with respect to Part 1 General Section, paragraph 5 (Automobile Defined) item (b) of the General Provisions, Definitions and Exclusions of this policy the words "ownership of which is acquired by the Insured" shall mean leased by the Lessee from the name Insured; and
- 3) with respect to Part 1 General Section, paragraph 5 (Automobile Defined) item (c), (d) and (e) of the General Provision, Definitions and Exclusions and Part II Injury Payments, Insured Person Defined, the words "Insured or Insured Person" shall mean the Lessee specified herein.
- 4) (a) where the Lessee as applicant (i) gives false particulars of the described automobile(s) 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, a claim by the Lessee is invalid and the right of the Lessee to recover indemnity is forfeited.
 - b) where either the Lessee or the Lessor contravenes a term of the contract or commits fraud or wilfully 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.

17. Permission to Rent or Lease (Unspecified Lessees – Short Term Leases Only)

Permission is hereby given for the automobile to be rented or leased provided any period of any such renting or leasing to any one person does not exceed thirty (30) consecutive days. It is hereby understood and agreed that while the automobile is rented or leased, exclusion (c) of Part IVA of the policy is amended to read as follows:

- c) for loss of or damage to property carried in or upon the automobile or to any property owned or rented by, or in the care, custody or control of:
 - i) the person to whom the automobile is leased; or
 - ii) any other person who personally drives the automobile.

18. Public Passenger Vehicles

- 1) Permission is hereby given for the automobile to be used to carry passengers for compensation or hire.
- 2) Only with respect to loss or damage resulting from bodily injury to, or the death of, any occupant of the automobile, and only with respect to loss of or damage to property carried in or upon the automobile while the automobile is being so used:
 - i) Exclusion (c) of Part IVA of the Insuring Agreements of this policy is amended to read as follows:
 - c) for loss of or damage to any property owned or rented by any person insured by this policy.

19. Race Car/Truck

Coverage, if any, under Item 4, Part IIIA and Part IVA shall apply only while the automobile insured is in transit to and from a competition site or while in storage.

There shall be no coverage while the automobile is in storage at the site of the competition.

20. School Bus

Permission is hereby given for the automobile to be used to carry passengers for compensation or hire for school purposes only.

21. School Bus Extended Use

Permission is hereby granted for the vehicle(s) to be used for the transportation of passengers for purposes other than provided for under the School Bus Endorsement but only if specific authorization of such transportation of passengers has been first requested from and granted by the Highway Traffic Board of Saskatchewan.

It is also understood and agreed that during the period for which permission is granted, Part IVA of the policy is extended to indemnify the Insured, and in the same manner and to the same extent as if named herein as the Insured, every other person who with the Insured's consent personally drives the automobile, against the liability imposed by law upon the Insured, or upon such other person, resulting from accidental damage to the property of passengers while such property is being carried in or upon the automobile described in the policy, provided that the Insurer shall not be liable under this endorsement for any amount in excess of \$1,000 (exclusive of interest and costs) for any one accident.

22. Snowmobile Underage Operator

Permission is hereby granted for the described snowmobile to be operated with the consent of the Insured by a person under the age of sixteen (16) years; provided that, if the snowmobile is required by *The Snowmobile Act*, to be registered under *The Traffic Safety Act*, operation of the snowmobile by a person under sixteen (16) years of age shall be in accordance with the provisions of the aforementioned *Snowmobile Act*. The Insured shall not in any event permit, suffer, allow or connive at the use of the snowmobile by any person under the age of twelve (12) years. It is further understood and agreed that this coverage shall be restricted to snowmobiles of not more than 550 c.c.'s.

Clause (b) of Subsection (2) of Statutory Condition 2 set forth in this policy is amended accordingly, but only to the extent necessary to give effect to this endorsement.

23. Stated Value

The value as shown **on the Cover Page** is the value we will use when we settle your claim under **Damage to Your Auto (Part IIIA)**. But we will not pay those amounts which would have been paid by your licence insurance had this endorsement not been added to your policy. The annual mileage must not exceed 8,065 kms or 5,000 miles annually.

24. Theft Coverage

Theft coverage provided under Part IIIA or Part IIIB, Subsections (1) All Perils, (3) Comprehensive and (4) Specified Perils, of Item 4, Part IIIA of this policy shall apply only to the theft of the entire vehicle.

25. Private Passenger and Farm Truck Extension

With respect to an automobile of the private passenger car, private van, private truck, motorhome or farm truck, this policy is amended as follows:

Where the terms and condition of the Auto Pak Booklet are broader than those contained herein, the broader interpretation shall apply to those vehicles described above.

26. Replacement or Repair Cost

Your Cover Page will show if you have this coverage.

It will cover the registered auto shown on your Cover Page, provided it is the same as the one described in your request for this coverage.

REMEMBER: Any auto accessories added after the purchase of the auto must be added to the policy within 120 days of purchase. If you have a claim, it will make things easier if you can give us a copy of your purchase order. So keep those papers in a safe place.

Replacement or Repair Cost provides coverage for 36 months from the date you took delivery of the auto. If the loss or damage happens within the first 24 months from the date you took delivery of the auto, we will cover you against all the losses for which your auto is covered. But, if the loss or damage happens after the first 24 months, we will not provide Replacement or Repair Cost coverage against fire, theft, vandalism, malicious mischief or water damage.

To settle a loss:

1. If we decide to repair your auto, we will be responsible only for the damage which was caused by the loss, this includes any wear and tear (depreciation) charged on original or new manufacturer's parts.
2. If you own the auto and we decide your auto is a total loss under your licence insurance, you can choose one of the two following settlement options:
 - a) replace your auto with a brand new auto of the SAME MAKE AND MODEL, with similar equipment (colour may vary). If the same model year is not available, we will replace your vehicle with the next model year available; or
 - b) take a cash settlement subject to the following provisions:
 - i) If the loss or damage happens within the first 12 months from the date you took delivery of the auto, we will pay the manufacturer's suggested retail price (see Condition 4) and applicable taxes.
 - ii) If the loss or damage happens within 13 to 24 months inclusive, from the date you took delivery of the auto, we will pay the manufacturer's suggested retail price (see Condition 4) and applicable taxes plus an additional 2% for inflation.
 - iii) If the loss or damage happens after 24 months from the date you took delivery of the auto, we will pay the manufacturer's suggested retail price (see Condition 4) and applicable taxes plus an additional 4% for inflation.
3. If your auto is leased and we decide your auto is a total loss under your licence insurance, we will pay you up to the original purchase price of the auto as shown on your lease agreement.

Conditions

1. Your auto must have been continuously insured for Replacement or Repair Cost coverage with us, or some other insurance company. You must have the coverage added within 120 days after the date you took delivery and coverage will be effective from the date it was added. Coverage shall not exceed 36 months after that delivery date.

The auto must have been:

- a) bought new; or
 - b) leased new; or
 - c) owned and used as a demonstrator by an auto dealership. You must have bought or leased the auto within 12 months of the date the dealer first put it into service as a demonstrator and the auto must not have mileage in excess of 10,000 kms at the date of purchase.
2. It is up to us to decide if the auto is to be repaired or considered a total loss.
 3. You must supply us with proof that the auto is being repaired, or if your auto is a total loss and you chose settlement option 2 a), proof that the auto has been replaced, before payment can be made.
 4. If you chose settlement option 2 b) it is up to us to decide the manufacturer's suggested retail price at the time of claim.
 5. If you decide not to accept our offer to repair your auto, we will pay only what we would have paid had this Replacement or Repair Cost coverage not been bought.
 6. Whether we are repairing or replacing the auto, we will not pay those amounts which would have been paid by your licence insurance had this coverage not been bought.
 7. Equipment or auto accessories, including protection packages, installed by the dealer before delivery of the auto will also be covered with proof of purchase.
 8. New auto accessories added after you purchased the auto are covered but they must have been added to the auto and the policy within 120 days of the date you took delivery of the auto.
 9. Replacement or Repair Cost coverage is not available on new permanently attached equipment, machinery or apparatus that changes the use of or functionality of the auto with the exception of equipment designed for the purpose of personal travel and transportation. Replacement or Repair Cost coverage will still apply to the auto shown on the bill of sale.
 10. If you have a \$50, \$100 or \$200 deductible, we will not subtract the deductible from the amount of your claim for Paintless Dent repairs, provided the damage is not over \$150.
 11. If your auto is a total loss, we will waive the deductible.
 12. You will be responsible for any previous unrepaired damage.

27. Misdelivery (Loading or Unloading)

It is understood and agreed that under Part IVA Liability and Part IVB Non-Owned Automobile Liability, a Property Damage Deductible of \$1,000, or the amount shown **on the Cover Page**, whichever is greater shall apply.

28. Property Damage Deductible

It is understood and agreed that under Part IVA Liability and Part IVB Non-Owned Automobile Liability, a Property Damage Deductible of **As Per Cover Page** shall apply.

29. Environmental Liability Limitation

The Insurer shall not be liable under Part IVA Liability and Part IVB Non-Owned Automobile Liability for bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste

materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system. This exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

It is further understood and agreed that under Part IVA Liability, and Part IVB Non-Owned Automobile Liability, Additional Agreements of Insurer (e), the maximum claim payable under this extension shall be the amount shown **on the Cover Page** and this amount shall be part of and not in addition to the applicable limit of liability for Part IVA and IVB.

It is further understood and agreed that under Part IVA Liability and Part IVB Non-Owned Automobile Liability, a Property Damage Deductible of \$1,000, or the amount shown **on the Cover Page**, whichever is greater shall apply.

30. Waiver of Deductible

If *The Automobile Accident Insurance Act* deductible, or a lower value deductible has been purchased and the policy endorsed accordingly, no deductible shall apply under Part IIIA and Part IIIB Subsection 1 (All Perils) or 2 (Collision) if the insured automobile is directly damaged by hitting or being hit by an animal or bird.

31. Out of Province Accident Benefits

The Insurer agrees that when coverage is provided on self-propelled vehicles which are licensed outside the Province of Saskatchewan, the benefits shown in Part II Injury Payments are deleted in their entirety. The coverage provided for these non-Saskatchewan licensed vehicles shall be the minimum limits required for accident benefits in the jurisdiction in which these vehicles are licensed and shall be subject to the exclusions and limitations of the Standard Automobile Policy applicable for that jurisdiction.

32. Loss of Use Endorsement (Rental Form)

(For use only with Commercial Vehicles)

This endorsement insures up to the amounts stated **on the Cover Page** for the loss of use of a vehicle following an occurrence for which indemnity is provided under Part IIIA Loss of or Damage to Insured's Automobile(s) of the policy to which this endorsement is attached.

Coverage provided by this endorsement **does not** cover "Downtime" charges for a rented non-owned automobile which is covered under this policy.

Measure of Recovery

The Insurer will reimburse the Insured for the expense incurred by the Insured for the rental of a substitute automobile, but in no event shall the Insurer be liable for payment in excess of the amount shown **on the Cover Page** as the Limit per Automobile.

Special Conditions

- a) Coverage is limited to such expense incurred during the period after the occurrence of such loss or damage has been reported to the Insurer, or in the case of an operable vehicle when it is delivered for repair or replacement of the property lost or damaged and terminating, regardless of the policy period,
 - i) upon the date of the completion of repairs or replacement of the property lost or damaged, or
 - ii) upon such earlier date as the Insurer makes or tenders settlement for such loss or damage.Whichever comes first.
- b) Any provision under Part IIIA of the Policy by which there is a sum payable by the Insured in respect to a claim thereunder shall not be applicable to the indemnity provided by this endorsement.
- c) Coverage provided by this endorsement shall apply only to self-propelled vehicles insured under this policy, unless stated to the contrary **on the Cover Page**.

33. Loss of Use Endorsement (Special Form)

(For use only with Commercial Vehicles)

This endorsement insures up to the amounts stated **on the Cover Page** for the loss of use of a vehicle following an occurrence for which indemnity is provided under Part IIIA Loss of or Damage to Insured's Automobile(s) of the policy to which this endorsement is attached.

Measure of Recovery

The Insurer will reimburse the Insured for the expense incurred by the Insured for the rental of a substitute automobile, subject to the following:

- a) If a replacement automobile is not available, or
- b) The Insured operator incurred injuries in the same occurrence, which damaged the automobile, incapacitating the operator from operating a replacement vehicle, then the Insurer will pay the Insured the amounts stated **on the Cover Page**.

In no event shall the Insurer be liable for Payments in excess of the amount shown **on the Cover Page** as the Limit per Automobile.

Special Conditions

- a) Coverage is limited to such expenses incurred during the period after the occurrence of such loss or damage has been reported to the Insurer, or in the case of an operable vehicle when it is delivered for repair or replacement of the property lost or damaged and terminating, regardless of the policy period,
 - i) upon the date of the completion of repairs or replacement of the property lost or damaged, or
 - ii) upon such earlier date as the Insurer makes or tenders settlement for such loss or damage.

Whichever comes first.

- b) Any provision under Part IIIA of the policy by which there is a sum payable by the Insured in respect to a claims thereunder shall not be applicable to the indemnity provided by this endorsement.
- c) Coverage provided by this endorsement shall apply only to self-propelled vehicles insured under this policy, unless stated to the contrary **on the Cover Page**.

34. Journey Coverage

(For use only with Personal Auto Vehicles – Endorsement #25 must exist)

Your Cover Page will show if you have this coverage.

This coverage will be in effect for 30 consecutive days beginning on the effective date shown on your Cover Page. This coverage will expire on the date shown on your Cover Page or the cancellation of this policy, whichever comes first. The limit of protection will be indicated below in each section of coverage that applies.

All coverage definitions, conditions and exclusions shown in other parts of this booklet apply to this coverage.

Autos You Do Not Own

Coverage will extend to one auto you own as well as one auto you use with permission but do not own.

If you have **Injury Payments (Part II), Damage to Your Auto (Part III), Liability (Part IV)**, these coverages extend to an auto you do not own but use with permission. These coverages also extend to an auto that you are contractually liable for while being driven by someone else with your permission. In all instances, coverage only extends to an auto you do not own if it is of a similar type of auto as the auto shown on your Cover Page.

Part II – Injury Payments – Limits as per booklet

Coverage will follow on the basis of Part II – Bodily Injury Benefits or Part VIII – Personal Injury Benefits (No Fault). This is determined by your licence insurance coverage.

Part III – Loss of Use – \$2,000 Amount of Protection

This coverage will apply as defined in the policy booklet.

Part IV – Liability – \$5,000,000 Amount of Protection

We will cover you if you are found to be legally liable to someone else for an injury, death or property damage which was due to the ownership or use of your auto. We will cover you up to the amount shown on your Cover Page. This coverage is excess to that given by your licence insurance.

Part V – Family Security – Aggregate Limit: \$2,000,000

We agree to give the protection under the provisions of the Part V if your Cover Page shows you have this coverage and all premiums have been paid and all the conditions have been fulfilled as required by this policy.

Statutory Conditions

In these Statutory Conditions, unless the context otherwise requires, the word “Insured” means a person insured by this contract whether named or not. Statutory Conditions 2, 3, 4, 5, 6 and 7 shall not apply as policy conditions with respect to Part II.

1. Material Change in Risk

- (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 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.

2. Prohibited Use By Insured

- (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 licence or permit to drive an automobile may be issued to him; or
 - (d) for any illicit or prohibited trade or transportation; or
 - (e) in any race or speed test.
- (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 licence 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.

2.1 Qualified or Authorized

For the purposes of this statutory condition, a driver is deemed not to be qualified or authorized under this policy if he or she has been deemed not to be qualified or authorized pursuant to the statutory conditions set out in **Part III** and **IV** of *The Automobile Accident Insurance Act*.

3. Requirements Where Loss or Damage to Persons or Property

(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
- (c) forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant.

(2) The Insured shall not:

- (a) voluntarily assume any liability or settle any claim except at his own cost; or
- (b) interfere in any negotiations for settlement or in any legal 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 Insurer, except in a pecuniary way, in the defence of any action or proceedings or in the prosecution of any appeal.

4. Requirements Where Loss or Damage to the Automobile

(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 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 wilful act or neglect, procurement, means or connivance of the Insured.

(2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.

(3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed:

- (a) without the written consent of the Insurer; or
- (b) until the Insurer has had a reasonable time to make the examination for which provision is made in Statutory Condition 5.

- (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 a 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 therefore is made in writing and until after proof of loss has been delivered.

5. Inspection of Automobile

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

6. Time and Manner of Payment of Insurance Money

- (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) **Repealed.** 2004, c.L-16.1, s.76.

7. Who May Give Notice and Proofs of Claim

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.

8. Termination

- (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.

9. Notice

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 1968, c.64, s.9.

Misrepresentation or Violation of Conditions Renders Claim Invalid

Subsection 191.—(1) of *The Saskatchewan Insurance Act* reads as follows:

- (1) 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 wilfully 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.

Claims Service Information

After Hours Emergency Information – All Claims

1-800-647-6448 or 306-775-6000 Permit Office: 1-800-667-7575

eClaim

You can report your auto claim by visiting the SGI website at www.sgi.sk.ca

For prompt claims service, please call, write or email your broker or contact the nearest Claims Office listed below:

Estevan Claims Centre

1009 – 5th St.
S4A 2L8
306-637-4100 1-800-667-9773
Fax 306-634-3508

Kindersley Claims Centre

Box 2260 821 – 9th St. W.
S0L 1S0
306-463-5270 1-800-667-9778
Fax 306-463-4999

Lloydminster Claims Centre

Box 1309 4805 – 50th St.
S9V 1G2
306-825-8200 1-800-667-8588
Fax 306-825-5248

Meadow Lake Claims Centre

Box 339 313 – 3rd St. E.
S9X 1Y3
306-236-2500 1-800-667-4497
Fax 306-236-5544

Moose Jaw Claims Centre

105 – 4th Ave. NW
S6H 4N9
306-691-4500 1-800-667-5103
Fax 306-691-0450

North Battleford Claims Centre

1002 – 103rd St.
S9A 2Z3
306-446-1900 1-800-667-1384
Fax 306-445-3699

Prince Albert Claims Centre

501 – 15th St. E.
S6V 1G3
306-953-8000 1-800-667-9324
Fax 306-764-2004

Regina Commercial Claims Centre

– rural Regina area
– towed and commercial vehicles only
440 Fleet St.
S4N 7N7
306-775-6000 1-800-667-9779
Fax 306-721-2529

Regina East Claims Centre

Box 1490 2110 Victoria Ave. E.
S4P 3C2
306-775-6000 1-800-667-9779
Fax 306-789-7117

Regina Northwest Claims Centre

1121 McCarthy Blvd. N.
S4X 3T6
306-775-6000 1-800-667-9779
Fax 306-949-7667

Regina Injury Claims Centre

Box 140 3825 Pasqua St.
S4P 4J1
306-751-1860 1-800-667-8015
Fax 306-584-0919

Saskatoon Central Claims Centre

623 – 2nd Ave. N.
S7K 0H3
306-683-2100 1-800-667-8710
Fax 306-683-2135

Saskatoon East Claims Centre

4045 Taylor St.
S7H 5P2
306-683-2100 1-800-667-8710
Fax 306-683-2122

Saskatoon West Claims Centre

345 Fairmont Dr.
S7M 5N5
306-683-2100 1-800-667-8710
Fax 306-683-0000

Saskatoon Injury Claims Centre

623 – 2nd Ave. N.
S7K 0H3
306-683-2371 1-888-468-8868
Fax 306-242-5572

Swift Current Claims Centre

110 – 3rd Ave. NW
S9H 0R8
306-778-4900 1-800-667-7414
Fax 306-773-1748

Tisdale Claims Centre

Box 1690 819 – 100th St.
S0E 1T0
306-878-3600 1-800-667-5030
Fax 306-873-4484

Weyburn Claims Centre

1738 – 1st Ave. NE
S4H 3E8
306-848-4300 1-800-667-9774
Fax 306-842-4794

Yorkton Claims Centre

Box 1029 276 Myrtle Ave.
S3N 1R4
306-786-2430 1-800-667-1480
Fax 306-786-7650

For out of province claims call: 306-775-6500

Toll free: 1-800-667-9779

Privacy: Our Commitment

Thank you for choosing SGI CANADA.

At SGI CANADA we value our customers and take your privacy seriously. During the course of business with you, our brokers or we may ask for personal information so we can serve you better. You can rest assured that we'll protect and respect your personal information and privacy – from the time we first collect the information until it is disposed of. After all, SGI CANADA's business is built on your trust.

Our commitment to you is to collect only the information we need to conduct your business and to adhere to industry best practices in handling and protecting your personal information.

Protecting your privacy is important to us at SGI CANADA.

If you want to:

- access your personal information or have your information corrected.
- change your consent with respect to how we collect, use or disclose your personal information.
- file a complaint about our privacy policies or the manner in which we've handled your personal information.
- inquire about any other privacy questions or concerns.

Please contact:

SGI CANADA Chief Privacy Officer
2260 – 11th Ave.
Regina, Sask. S4P 0J9
Phone: 1-800-667-8015
E-mail: privacyofficer@sgi.sk.ca

If you're not satisfied with the outcome of an inquiry or complaint handled by SGI CANADA's Chief Privacy Officer, you may address your concerns to:

Office of the Saskatchewan Information and Privacy Commissioner
503 – 1801 Hamilton St.
Regina, Saskatchewan, S4P 4B4
Phone: 306-787-8350
Toll free within Saskatchewan: 1-877-748-2298
Fax: 306-798-1603
www.oipc.sk.ca

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