



HOW YOUR AUTO POLICY WORKS

Getting more coverage with direct
auto insurance in British Columbia.



**BRITISH COLUMBIA
AUTOMOBILE
POLICY
(OWNER'S FORM)**

**SECTION 2 –
EXCESS THIRD PARTY LIABILITY
AND
SECTION 3 –
COLLISION AND
COMPREHENSIVE COVERAGE**

PLEASE READ YOUR POLICY CAREFULLY

ABOUT THIS POLICY

This is your policy for optional automobile insurance coverage which you have purchased from Canadian Direct Insurance Incorporated ("Canadian Direct"). It is written in easy-to-understand language. Please read it carefully so you know your rights and obligations and the rights and obligations of Canadian Direct.

For details of each coverage and the conditions that apply, please consult the appropriate Sections of the policy.

Summary of Contents:

Section 1 – **Introduction** contains general terms that apply to the entire policy.

Section 2 – **Excess Liability Coverage** describes what we will cover if you are responsible for an accident that causes injuries or property damage to others.

Section 3 – **Collision and Comprehensive Coverages** describes the loss or damage to your Automobile that is covered by your policy.

Section 4 – **Emergency Financial Lifeline Coverage** describes what we will cover if you are injured in an Automobile accident.

Section 5 – **Prescribed Conditions and Other Statutory Provisions** sets out the conditions required by the *Insurance (Vehicle) Act* for all vehicle insurance policies in British Columbia. For convenience, simpler versions of many conditions have been included in each Section of the policy where they apply. If there is a discrepancy between the Prescribed Conditions and the wording in the policy, the Prescribed Conditions in Section 5 prevail. Section 5 also sets other statutory provisions referenced in this policy.

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Under Section 75 of the *Insurance (Vehicle) Act*, your claim is invalid if at any time you fail to provide complete and accurate information, violate a term or condition of your policy or commit fraud. This is a summary. For full information, see section 75 of the *Insurance (Vehicle) Act*.

This policy contains a partial payment of loss clause.

WHAT INSURANCE IS REQUIRED BY LAW?

If you own an Automobile that is operated on a highway in British Columbia, the law requires that certain mandatory insurance coverages be obtained by the owner from the Insurance Corporation of British Columbia (ICBC). They include primary coverage for Third Party Liability (minimum of \$200,000 plus costs and interest), No-Fault Accident Benefits, together with Underinsured Motorist Benefits. You have made the decision to buy additional insurance to protect yourself against other risks. The insurance coverage provided by ICBC and the optional coverages offered by Canadian Direct are summarized in the table below. For details of each optional coverage offered by Canadian Direct and the conditions that apply, you should consult the appropriate sections of the policy. If there is a difference between the information in this table and the appropriate section of the policy, the section of the policy prevails.

You only have a specified coverage from Canadian Direct if your Declaration of Automobile Insurance shows a premium for it or it is provided at no cost.

WHAT ICBC AND CANADIAN DIRECT INSURE

TYPE OF COVERAGE	WHAT THE COVERAGE DOES	PROVIDED BY
Liability <i>(mandatory)</i>	Protects you if someone else is killed or injured or their property is damaged in an Automobile accident. ICBC will defend all lawsuits against you (at their expense) and will pay for legitimate claims up to the limit of the liability coverage under the ICBC policy (usually the mandatory minimum of \$200,000 plus costs and interest).	ICBC
Accident Benefits <i>(mandatory)</i>	Provides medical, disability and other benefits if you, or a passenger in your vehicle or a pedestrian are injured in an Automobile accident, regardless of who caused the accident.	ICBC
Underinsured Motorist Protection <i>(mandatory)</i>	Covers you or your passengers in the event the motorist who caused the injury has lower liability limits than provided by your policy.	ICBC
Excess Liability <i>(optional)</i>	Insures your liability if you cause bodily injury or property damage to others in an amount that exceeds the limits of the mandatory liability coverage provided by ICBC.	Canadian Direct (Section 2)
Loss or Damage to Your Automobile <i>(optional)</i>	Insures you against loss of, or damage to, your Automobile caused by collision, fire, theft and a variety of other unpredictable risks.	Canadian Direct (Section 3)
Emergency Financial Lifeline <i>(optional)</i>	Provides the principal operator and his or her spouse with additional benefits should they be injured or die as a result of an accident involving an Automobile in which they are an occupant.	Canadian Direct (Section 4)
Other Optional Coverages	Protect you for a number of other areas. Your Canadian Direct advisor can explain.	Canadian Direct

NOTE: The descriptions of ICBC coverage set out above summarize our understanding of ICBC's mandatory insurance and should not be construed as any warranty by us respecting such coverage. The optional coverages offered by Canadian Direct and described above are subject to the limits and terms of this policy.

SECTION 1 INTRODUCTION

1.1 This Policy is Part of a Contract

This policy is part of a contract between you and us. The contract includes two documents:

- a completed and signed Declaration of Automobile Insurance, which includes a Declaration of your Automobile Insurance;
- this policy.

Under the contract, we agree to provide you with the insurance that is summarized on your Declaration of Automobile Insurance, and for which you have agreed to pay a premium.

You only have coverage for a specific Automobile if your Declaration shows a premium for it or shows the coverage is provided at no cost.

Under Section 75 of the *Insurance (Vehicle) Act*, your claim is invalid if at any time you fail to provide complete and accurate information, violate a term or condition of your policy or commit fraud. This is a summary. For full information, see section 75 of the *Insurance (Vehicle) Act*.

1.2 Where You Are Covered

This policy covers you and other Insured Persons for accidents occurring in Canada or the United States of America or on a vessel travelling between ports in those countries. All of the dollar limits described in this policy are in Canadian funds.

1.3 Definitions

In this Section we will explain terms used throughout your policy.

Automobile

Automobile means a motor vehicle as defined in the *Motor Vehicle Act* (British Columbia).

In your policy, there is a difference between a **Described Automobile** and the **Automobile**. When we refer to a **Described Automobile**, we mean the Automobile(s) shown on the Declaration and specifically insured under this policy.

When we refer to the **Automobile**, we mean:

- your Automobile(s) described in the Declaration; and
- in any section of this policy, any other Automobile(s) covered under that section.

Declaration of Automobile Insurance or Declaration

Your **Declaration of Automobile Insurance** or **Declaration** is a written document summarizing your insurance coverage. It shows your name and/or organization, and the Described Automobile. It lists the coverages purchased, premiums charged, and the period during which the insurance is in effect. It also summarizes the information you provided to Canadian Direct.

Covered/Coverage

When we talk of someone or something being **covered**, we mean that they are protected by your policy. When we speak of **coverage**, we are describing what types of protection you have and how much for each type.

Direct Loss or Damage

Direct Loss or Damage refers to damage or loss caused directly by a peril. This is different from an indirect loss. For example, damage to an Automobile resulting from a collision is a **direct loss**. Loss of the use of an Automobile while it is being repaired is an **indirect loss**.

Excess Liability Coverage

When we talk of **Excess Liability Coverage**, we mean the liability coverage provided by us as described in Section 2 of this policy.

Insured Person

Insured Person means a person, whether named or not, who is insured by this policy.

Insurance (Vehicle) Act and Regulation

Insurance (Vehicle) Act means the British Columbia *Insurance (Vehicle) Act*. **Insurance (Vehicle) Regulation** means the *Insurance (Vehicle) Regulation* under the *Insurance Vehicle Act*.

ICBC Liability Coverage

When we talk of **ICBC Liability Coverage**, we mean any and all liability coverage from ICBC under an Owner's Certificate respecting an Automobile, including any extension of that coverage beyond the minimum policy limit of \$200,000 plus costs and interest.

Liability Coverage

When we talk of **Liability Coverage**, we mean coverage which insures against liability to pay compensatory damages for bodily injuries to or the death of any person or property damage suffered by others in an accident involving an Automobile.

Named Insured

The **Named Insured** is the person or organization that is named in the Declaration as the insured.

Owner's Certificate

This refers to the **Owner's Certificate** issued to you under the *Insurance (Vehicle) Act* respecting the Described Automobile(s).

Proof of Loss

A **Proof of Loss** is a formal statement concerning a loss for which you are submitting a claim. It provides us with all the information we need to determine whether your claim is reasonable and the extent of our liability.

Territory

Territory means the territory shown on the Declaration, which is the territory which includes the place where the automobile is garaged at when not being driven.

Use

Use means the use to which the Automobile is put as set out in the Declaration.

We and You

Throughout this policy the words **you** and **your** refer to the person or organization shown on the Declaration as the **Named Insured**.

Other people may also be covered under certain conditions. We call both you and them **Insured Persons**.

We, our, us and **Canadian Direct** mean the company **Canadian Direct Insurance Incorporated**.

1.4 Your Responsibilities

If you fail to meet your responsibilities, claims under this policy may be denied.

By accepting this contract you agree to the following conditions:

- 1.4.1 You will notify us within 10 days after
 - any change to your address as set out in the Declaration; or
 - if you acquire a substitute for the Described Automobile.
- 1.4.2 You will inform us before
 - changing the Use shown on the Declaration; or
 - changing the place in which the Described Automobile is kept when it is not being driven.
- 1.4.3 You will notify us promptly in writing of any significant change of which you are aware in your status as a driver, owner, or lessee of a Described Automobile. You will also promptly inform us of any change that might increase the risk of an accident or affect our willingness to insure you at current rates. You will promptly inform us of any change in information supplied in your Declaration of Automobile Insurance, such as additional drivers.
- 1.4.4 You will promptly inform us of any sale or transfer of your interest in a Described Automobile except through change of title by succession, death or proceedings under the *Bankruptcy and Insolvency Act (Canada)*.
- 1.4.5 You will promptly inform us of any new lien (an interest by others), mortgage, or loan that affects a Described Automobile, as well as any other insurance against loss or damage.
- 1.4.6 You will at all times have a valid Owner's Certificate respecting the Described Automobile(s) and you will at all times maintain in full force and effect the mandatory insurance available from ICBC under that Owner's Certificate.

1.5 If You Have Been Incorrectly Classified and Your Premium is Wrong

We use rules that determine the amount you pay for each coverage and category of Automobile insurance. Your policy is classified according to these rules.

If you have been incorrectly classified, we will correct the situation.

If the incorrect classification resulted in your paying too high a premium, we will refund any premium overpayment.

If the incorrect classification resulted in you paying too low a premium, we will require you to pay an additional premium as long as we tell you within 60 days of the effective date of the policy. We will not charge you interest on the additional premium.

1.6 Terminating

1.6.1 When You Terminate

You may terminate your policy at any time by advising us to that effect. You must do this in writing.

1.6.2 When We Terminate

We may terminate your policy at any time and for any reason including the following:

- you have not paid the premium or any instalment on account of the premium;
- you have given us false information about a Described Automobile;
- you have knowingly misrepresented or failed to disclose information that you were required to provide in the application for vehicle insurance; or
- the risk has changed materially.

If we cancel your insurance, we will notify you in writing. We will give you five days notice if we deliver the termination in person, or 15 days notice if we deliver the termination by registered mail to your last known address. The 15-day period starts the day after the registered letter is posted.

1.6.3 Calculation of Premium

If the insurance is terminated we will calculate the premium payable or your refund on a proportionate basis. Proportionate means you will pay for the actual number of days you were covered. For example, if half the premium period is over, you will pay half the premium.

If there is a minimum premium shown on your Declaration you may not receive a refund.

If we terminate the insurance and you have paid more than the premium required, we will refund the difference when we inform you that we are terminating your insurance. Your refund may be delayed if the amount of premium you owe is subject to adjustment, or if we are waiting for reports in order to determine the premium paid or owing. In such a case we will make the refund as soon as practicable.

SECTION 2 EXCESS LIABILITY COVERAGE

You only have a particular coverage for a specific Automobile in excess of valid, enforceable coverage from ICBC if your Declaration shows a premium for it or shows the coverage is provided at no cost.

2.1 Introduction

It is a condition precedent to any Excess Liability Coverage for any Insured Person under this policy that you at all times:

- have and maintain a valid Owner's Certificate respecting the Described Automobile; and
- have and maintain in effect valid ICBC Liability Coverage under the Owner's Certificate respecting the Described Automobile(s) which is enforceable to its full limits.

When Excess Liability Coverage is purchased, this policy insures against liability that you or other Insured Persons may have to pay compensatory damages for bodily injuries to or the death of any person or property damage suffered by others in an accident involving the Automobile. This coverage applies only as excess to valid enforceable ICBC Liability Coverage under an Owner's Certificate respecting the Automobile, and is subject to the limits and conditions contained in this policy.

2.2 What Type of Automobile is Covered

Your Excess Liability Coverage extends to the following automobiles:

- the Described Automobile(s);
- any newly acquired Automobile(s), either a replacement for or an addition to the Described Automobile(s), for which you have obtained a valid Owner's Certificate under the *Insurance (Vehicle) Act* but only if:
 - all your other automobiles are insured by us;
 - you are not in the business of selling automobiles;
 - you advise us of the newly acquired automobile and ask to have it added to your policy within 10 days of its acquisition; and
 - you pay any additional premium required;
- any other automobile(s) which you drive but do not own and in respect of which you have ICBC Liability Coverage issued to you respecting the Described Automobile(s).

2.3 Who is Covered

This Excess Liability Coverage applies to you and, with respect only to the Described Automobile(s) and any newly acquired automobile(s) described above:

- anyone who, with your consent, is using or operating the Automobile at the time of the accident giving rise to the liability claim;
- anyone who is living with you and as a member of your family; and
- anyone else who, as a result of the accident giving rise to the liability claim, is entitled to ICBC Liability Coverage respecting the Described Automobile(s).

We will consider these other people to be Insured Persons. However, persons who sell, repair, maintain, store, service or park automobiles as part of a business are not covered by this policy while using, driving or operating the Automobile in the course of that business.

2.4 What We Cover

Subject to the limits, terms and conditions of this policy, we will pay all amounts on account of compensatory damages, for which you or other Insured Persons are legally liable in excess of the limits of ICBC Liability Coverage arising from the ownership, use or operation of the Automobile and resulting from bodily injury to, death of or damage to property of other persons.

In addition, we will make reasonable payments for emergency medical aid if reimbursement is not provided under another policy and pay the costs of necessary emergency equipment such as fire extinguishers supplied to you.

Example

You have purchased the mandatory \$200,000 ICBC Liability Coverage and Excess Liability Coverage of \$800,000 from Canadian Direct (for a total of \$1,000,000 inclusive of the ICBC limit). You are sued for injuries suffered by another person in an accident involving the Described Automobile and for which you are legally responsible. ICBC has defended the action on your behalf and judgment is issued against you for \$650,000 damages plus \$10,000 pre-judgment interest and \$25,000 in legal costs.

Who pays?

ICBC pays

- \$200,000 of the damage award.

Canadian Direct pays

- \$450,000 balance of the damage award.

ICBC and Canadian Direct will likely share

- the payment of the \$10,000 pre-judgment interest award and the \$25,000 in legal costs.

2.4.1 If Someone Sues You

If you or other Insured Persons are sued for damages arising from the ownership, use or operation of the Automobile, you must comply with all requirements of the ICBC Liability Coverage respecting the Automobile. Under that coverage, ICBC is obliged to assume the defence of the lawsuit on your and any other Insured Persons' behalf.

We have the right and duty to investigate, settle and join with you and ICBC in the defence and control of any claim or lawsuit against you or any other Insured Person which, based on our investigation of the facts, involves damages that exceed the limits of the ICBC Liability Coverage afforded respecting the Automobile.

For all such claims you and the other Insured Persons irrevocably appoint us to act as your attorney to investigate, defend, negotiate and settle out of court the claim or lawsuit as we choose.

If you are sued for more than the limits of your policy, you may wish to hire, at your cost, your own lawyer to protect yourself against the additional risk.

2.4.2 When We Pay

Any liability on our part to make any payments under this Excess Liability Coverage shall not attach unless and until:

- ICBC has admitted coverage for the claim(s) against the Insured Person(s), and admitted liability to pay the claim(s) up to the limits of the ICBC Liability Coverage respecting the Automobile; or
- final judgment has been determined to be an amount which exceeds the ICBC Liability Coverage, and ICBC has paid or has been held liable to pay the full amount of those limits.

2.4.3 How Much We Will Pay

The most we will pay under this Excess Liability Coverage on account of compensatory damages on behalf of you and any other Insured Persons' behalf for any one accident will in aggregate be the limit of coverage shown on the Declaration. In addition, we will also pay the following amounts:

- a proportionate amount of the costs of defending any lawsuit of the sort referred to in paragraph 2.4.1 above (ICBC will pay the balance); and

- any pre-judgment and post-judgment interest payable by you or the other Insured Persons on that part of any judgment granted against you or them which falls within the Excess Liability Coverage available under this policy.

2.4.4 Two or more Optional Insurance Contracts

If you are insured under one or more policies for optional insurance coverage, this policy shall be excess to any such other liability coverage and the most we will pay under this Excess Liability Coverage on account of compensatory damages on behalf of you and any other Insured Person's behalf for any one accident will be the amount by which the limit of coverage shown on the Declaration exceeds the Liability Coverage provided by that other optional insurance coverage.

In addition, we will pay:

- a proportionate amount of defending any lawsuit of the sort referred to in paragraph 2.4.1 above (ICBC and the other optional insurance will pay the balance); and
- a proportionate amount of the costs, expenses and interest of the sort referred to in paragraph 2.4.3.

2.4.5 Two or More Automobiles Under The Same Policy

When more than one Automobile is described in your Declaration we will treat each Automobile as if it were insured by a separate policy for liability claims resulting from its use or operation.

However, in the case of an accident involving an Automobile you do not own, we will only pay up to the highest limit that applies to any one Automobile described in this policy.

Example

Your Automobile policy has Excess Liability Coverage on two Automobiles to \$800,000 and \$1,800,000 respectively. If you are driving someone else's automobile and are in an accident, the most we would pay is \$1,800,000.

2.4.6 Two or More Automobiles Under Different Policies

When you have two or more Automobiles insured as Described Automobile(s) under two or more policies, each Automobile will be covered by its respective policy.

If you have an accident in an Automobile you don't own, we will pay only under your policy with us with the highest policy limit. If the policy limits are equal, we will decide which policy applies.

2.4.7 Coverage Outside British Columbia

If the accident happens in a Canadian province or territory, we agree not to use any legal defence to a claim under this policy that would not be available if the policy had been issued in that jurisdiction.

2.4.8 If There is More Than One Named Insured Under This Policy

We will cover all Named Insureds under this policy for claims made against each other. In such cases, we will act as if a separate policy was issued to each Named Insured. However, the total amount we will pay cannot exceed the maximum coverage shown on the Declaration of Insurance.

Example

Two people are in business together. Both are named in the insurance policy covering their van. They have bought Excess Liability Coverage to \$1,000,000 (inclusive of an ICBC limit of \$200,000).

One day, there is an accident while one is driving and the other is a passenger. Both of them are severely injured as a result of their combined negligence.

They sue each other and one is awarded \$500,000 and the other \$800,000. The combined amount we will pay, will not be more than the policy limit of \$1,000,000 (inclusive of the ICBC limit), pro-rated, plus any applicable proportionate post-judgment interest.

2.5 Your and Other Insured Persons' Responsibilities

You and other Insured Persons agree:

- to notify us promptly (or, if unable because of incapacity, as soon as possible), in writing, giving us all available particulars of:
 - any accident involving death, injury, damage or loss in which an Insured Person or a vehicle owned or operated by an Insured Person has been involved;
 - any claim made in respect of the accident;
 - any other insurance providing coverage for the accident;
- to send us immediately everything received in writing concerning the claim, including legal documents;
- to cooperate with us in the investigation, settlement and defence of a claim or action;

- not to assume any liability for the accident, or settle any claim, except at your or the other Insured Persons' own cost; and
- allow us to inspect the Automobile and its equipment at any reasonable time.

In certain circumstances, a third party claimant may obtain judgment against you or other Insured Persons for damages arising out of an Automobile accident and may require us to pay or contribute towards that judgment under the provisions of the *Insurance (Vehicle) Act* even though we have denied coverage and are not otherwise liable to pay the third party claim on your or the other Insured Persons' behalf under this policy. If this occurs, you and the other Insured Persons agree to reimburse us upon demand for any such payments.

2.6 Limitations On Your Excess Liability Coverage

2.6.1 Illegal and Prohibited Use

There is no coverage for any Insured Person under this policy if:

- you do not at all times have and maintain a valid Owner's Certificate respecting the Described Automobile(s);
- that Insured Person breaches any condition of or in any manner forfeits the ICBC Liability Coverage under the Owner's Certificate respecting the Described Automobile(s);
- that Insured Person uses, drives or operates the Automobile or allows anyone else to use, drive or operate the Automobile:
 - while unable to maintain proper control of the Automobile because he or she is driving under the influence of an intoxicating substance;
 - in circumstances where he or she is convicted of an Automobile related offence under the *Criminal Code* (Canada), the *Youth Criminal Justice Act* (Canada), the *Motor Vehicle Act* or any similar offence under any law in Canada or the United States, including:
 - causing death by criminal negligence;
 - causing bodily harm by criminal negligence;
 - dangerous operation of an Automobile;
 - failure to stop at the scene of an accident;
 - operation of an Automobile while impaired by alcohol or a drug or with more than 80 mg of alcohol in the blood;
 - refusal to comply with a demand for a breath or blood sample;
 - causing bodily harm or death during operation of an Automobile while:
 - operating an Automobile while impaired by alcohol or a drug or with more than 80 mg of alcohol in the blood;
 - operating an Automobile while disqualified from doing so; or
 - any offence under sections 220, 221, 249, 252, 253, 254(5), 255(2) or (3) or 259(4) of the *Criminal Code* (Canada) or sections 95, 102, 224 or 226 of the *Motor Vehicle Act* (British Columbia);
 - while not authorized and qualified by law to operate the Automobile;
 - for an illicit or prohibited trade or transportation;
 - to escape or avoid arrest or other similar police action;
 - in a race or speed test;
 - contrary to any statement made in the course of applying for insurance, including:
 - a statement regarding use;
 - a statement relating to the time or territory within which the vehicle may be operated; or
 - a statement relating to the kind of goods or number of passengers that may be carried in the Automobile;
 - the Automobile is used to carry explosives or radioactive material;
 - the Automobile is attached to a trailer not properly registered and licensed under the *Motor Vehicle Act* (British Columbia) or the *Commercial Transport Act* (British Columbia);
 - the claim made by that Insured Person is caused by or results from an intentional act of violence committed by that Insured Person, while sane, by means of an Automobile;
 - the Automobile is rented or leased by an Insured Person to another person;
 - the Automobile is used as a taxicab, bus, a sightseeing conveyance or to carry paying passengers. However, we do not consider the following as situations involving carrying paying passengers:
 - giving a ride to someone in return for a ride;
 - sharing the cost of an occasional trip with others in the Automobile;
 - carrying a domestic worker hired by you or your spouse;

- occasionally carrying children to or from school activities that are conducted within the educational program; or
- carrying current or prospective clients and customers.

2.6.2 Claims Not Covered

The Excess Liability Coverage does not cover claims:

- for damage to property carried in or upon the Automobile;
- for damage to other property owned or rented by, or in the care, custody or control of you or other Insured Persons; or
- arising directly or indirectly, in whole or in part, from contamination of property carried in the Automobile.

2.6.3 Nuclear Hazards

Nuclear Energy Hazards means the radioactive, toxic, explosive or other hazardous properties of prescribed substances described in Regulations made under the *Atomic Energy Control Act* (Canada).

The amount of Excess Liability Coverage is subject to the provisions of the *Insurance (Vehicle) Regulation* relating to Nuclear Energy Hazards which are printed in section 5.3 of this policy.

SECTION 3 COLLISION AND COMPREHENSIVE COVERAGES

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

3.1 What We Cover

3.1.1 Coverage For Loss or Damage To Your Automobile Caused By Collision or Comprehensive Perils

We agree to pay for direct and accidental loss of or damage to the Automobile(s) and its equipment caused by a peril included in any coverage option described below and which has been purchased by you.

By direct loss or damage we mean loss or damage directly resulting from a peril for which coverage has been purchased.

3.1.2 Coverage Options

Note: All of the following coverages are subject to Section 3.2 and all other conditions and limitations of coverage in this policy.

A. Collision or Upset – when this option is purchased by you, it covers loss or damage caused when the Automobile is involved in a collision with another object or tips over. An object may be:

- a vehicle that is attached to the Automobile;
- the surface of the ground; or
- any other object in or on the ground, excluding impact with an animal.

B. Comprehensive – when this option is purchased by you, it covers loss or damage caused by any peril other than those covered by the Collision or Upset option, including, for example:

- earthquake;
- explosion;
- hail;
- fire;
- missiles;
- riot or civil commotion;
- theft;
- vandalism or malicious mischief;
- falling or flying objects;
- rising water;
- windstorm; and
- impact with an animal.

3.1.3 What Automobiles Are Covered

Provided you have purchased one or both of the available coverage options, that coverage extends to the following Automobiles:

- the Described Automobile(s) for which the coverage has been purchased; and
- any newly acquired Automobile, either a replacement for or an addition to the Described Automobile(s), for which you have obtained a valid Owner's Certificate under the *Insurance (Vehicle) Act*, but only if:

- you have insured all of your other Automobiles with us and have purchased Collision or Comprehensive Coverages for those Automobiles;
- within 10 days of its acquisition, you advise us of the newly acquired Automobile and ask to have it added to the Collision or Comprehensive Coverages under your policy; and
- you pay any premium required for the additional Collision or Comprehensive Coverages for that Automobile.

3.2 Loss or Damage We Will Not Cover

3.2.1 General

Unless the following loss or damage occurs at the same time as and results from other loss or damage for which you have purchased coverage or is caused by fire, theft or vandalism and you have purchased Comprehensive Coverage, we will not cover loss or damage:

- consisting of, or caused by, mechanical fracture or breakdown of any part of the Automobile;
- consisting of, or caused by, explosion within the engine, rusting, corrosion, wear and tear or freezing; or
- to tires.

Example

We will not pay for a tire blow-out in normal driving, but if the tire is destroyed in a collision and you have Collision or Upset Coverage, we will cover that loss up to the value of your tire at the time of the accident.

We also will not pay for loss or damage:

- resulting from a dishonest claim of ownership, illegal disposal, or theft of the Automobile by anyone who has legal possession of it under a written agreement (a mortgage, conditional sale, lease or other similar agreement);
- resulting from a change in ownership that is agreed to, even if that change was brought about by trickery or fraud;
- to permanently attached and shuttle-mounted sound or communication equipment with a combined value of more than \$1,000, not supplied by or available from the manufacturer of the Automobile;
- to all other permanently attached equipment, including a custom paint finish, with a combined value of more than \$5,000, not supplied by or available from the manufacturer of the Automobile;
- caused by radioactive contamination;
- to contents of trailers;
- to tapes, CDs or equipment for a tape or CD player, or recorder when they are not attached to the player or recorder;
- to radar detectors; and
- resulting from war activities, including bombardment, invasion, civil war, insurrection, rebellion, revolution, coup, or actions of armed forces while engaged in a war, whether declared or not.

3.2.2 Illegal and Prohibited Use

We will not pay for loss or damage sustained in any of the circumstances described in paragraph 2.6.1 of this policy.

3.2.3 Certain Thefts Not Covered

We will not pay under your Comprehensive Coverage for loss or damage caused when a person who lives in your household steals the Automobile.

We also will not pay under this coverage for loss or damage caused when an employee of yours steals the Automobile and the employee's duties include driving, maintaining or repairing the Automobile. This applies at any time, and not simply during working hours.

3.2.4 Hit and Run Losses

We will not pay for loss or damage to the Automobile arising out of the use or operation on a highway within British Columbia of an Automobile where:

- the names of both the owner and the driver of that other automobile are not ascertainable; or
- the name of the driver of that automobile is not ascertainable and its owner is not liable to an action for damages for the said loss or damage.

However, if in the circumstance described above, you recover indemnity from ICBC for such loss or damage pursuant to section 24 of the *Insurance (Vehicle) Act*, we will pay the difference between the prescribed deductible applicable to your claim against ICBC and the Collision deductible, if lower, under this policy.

3.3 Deductible

This policy contains a partial payment of loss clause.

The amount we pay to cover any losses may be subject to a deductible. The deductible is the amount you agree to pay toward the cost of any single claim you make for loss or damage to the Automobile. The deductible applies each time you make a claim and separately to each Automobile that is insured.

We will only pay for loss or damage that exceeds the amount of the deductible.

If you have purchased the Comprehensive Coverage option, there is no deductible applied to claims for loss or damage to the Automobile caused by fire or lightning, or for theft of the entire Automobile.

3.4 Additional Benefits

Your policy also includes the following benefits:

3.4.1 Payment of Charges

We will pay fire department charges, any Canadian or US customs duties, salvage, and general average for which you are legally responsible as a result of an insured peril.

Example

Your Automobile is damaged in a fire. The fire department properly bills you for the cost of putting out the fire.

In addition a new transmission must be imported before the Automobile can be repaired. We will pay the fire department's bill, import duties on the replacement part and for the repairs themselves.

Salvage includes any expense involved in recovering property to prevent loss from an insured peril.

General average charges may arise when a Described Automobile is shipped by water. If it becomes necessary to dump a portion of the ship's cargo overboard to save the ship, you may be legally responsible for a share of the resulting losses. We will cover the expense.

3.4.2 Forgoing Our Right to Recover

If someone else is using the Automobile with your permission when a loss insured under this section occurs, we will pay for the resulting claim. We will also forgo our right to recover the money from that person.

However, we will keep the right to recover payment:

- if the person has the Automobile in connection with the business of selling, repairing, maintaining, storing, servicing or parking automobiles; or
- if the person using the Automobile violates any condition of this policy or uses, drives or operates it in the circumstances described in paragraph 2.6.1 of this policy (Illegal and Prohibited Use).

Examples

1. You allow a friend to use your Automobile and he runs into a fire hydrant and damages the Automobile. We will pay for repairs and will not sue him to recover the money.
2. You hand over your Automobile to a parking attendant or garage employee. He scratches the side while parking it. We will pay for repairs and recover from the garage owners because they had your Automobile in connection with their business.

3.4.3 Loss of Use Due to Theft

If the Automobile is stolen, and you have purchased the Comprehensive Coverage, we will pay up to \$50 a day for the rental of a substitute automobile.

If you choose not to rent an Automobile, we will pay up to \$50 a day for expenses incurred for taxis or public transportation.

We will not cover the costs of a rental automobile until after the theft has been reported to us. This coverage ends on the date that the Automobile is repaired or replaced or the date we offer you a payment to settle the claim under the Collision or Comprehensive Coverage, whichever is the earliest, even if your policy expires after the theft.

The most we will pay in either case for such expenses is \$900.

3.4.4 Lock Re-keying

If the Automobile keys or transmitter are stolen, we will pay for their replacement and the re-keying or re-coding of the locks. This coverage is subject to your Comprehensive deductible and payment is limited to \$100 per year.

3.5 Your and Other Insured Persons' Responsibilities

If the Automobile is damaged or stolen, you and other Insured Persons will:

- promptly notify us of the loss or damage and file a written statement giving us all available information on the manner in which the loss or damage occurred;
- file a Proof of Loss within 90 days;
- have the Proof of Loss sworn if we so require;
- do as much as is reasonably possible to protect the Automobile from further damage. We will pay for any reasonable protection provided. Further damage resulting from failure to provide reasonable protection will not be covered by this policy;
- make no repairs beyond those needed for protection of the Automobile, nor remove evidence of the damage, without our written consent or until we have had time to inspect the Automobile. We are not liable for any action contrary to this provision and to our prejudice;
- complete a statutory declaration within 90 days of the accident, if requested. The statutory declaration will describe what happened in detail, the cause and amount of the loss, those affected and how. It will also state that the loss was truly accidental and will require you to identify any other insurance that might be involved;
- after filing a statutory declaration:
 - submit to an examination under oath, if requested;
 - allow us to copy all documents in your possession or control relating to the accident;
- permit us to inspect the Automobile at any reasonable time;
- not leave us to dispose of the Automobile unless we agree to accept it. If we decide to replace the Automobile or pay its declared value or actual value, less any applicable deductible, we will own the salvage;
- execute any documents necessary to transfer title of the vehicle to us.

3.6 Our Right To Repair or Replace the Automobile

We have the right to determine whether the Automobile and its equipment or any part of it will be replaced and whether to pay a garage service operator in respect of a repair of replacement instead of making a payment to you.

3.7 Who May Make The Claim

If, for good reason, you or other Insured Persons are unable to notify us of the insured loss or damage or are unable to complete any document required in connection with the claim, someone else may act on your behalf.

If you or other Insured Persons refuse, or are unable, to complete any required document, anyone to whom any part of the insurance money is payable may do so instead.

3.8 What and When We Will Pay

We will, after applying the deductible pay the lesser of:

- the cost to repair or replace the Automobile and its equipment or any part of it with material of a similar kind and quality;
- the declared value of the Automobile and its equipment; or
- the actual cash value of the Automobile and its equipment.

Example

When your Automobile was new, three years ago, it cost \$16,000. Today, its actual cash value is \$10,000. If it were totally destroyed in a fire, the most we would pay is \$10,000.

We will not pay for that part of the cost of repair or replacement that improves the Automobile beyond the condition it was in before the loss or damage occurred.

If loss or damage occurs to a part that is obsolete or not in stock with the manufacturer we will pay an amount equal to the price at which the part was last listed on the manufacturer's price list.

We will pay all covered claims within 60 days after receiving a Proof of Loss or statutory declaration. If there has been an arbitration, we will pay all amounts due within 15 days after the award is rendered.

If we refuse to pay a claim, we will notify the Insured Person in writing explaining the reasons why we are not liable to pay.

Any action or proceeding against us in respect of loss or damage must be commenced within two years of the loss or damage.

3.9 Arbitration

If a dispute arises between you and us regarding

- the nature and extent of required repairs or replacement; or
- the amount payable in respect of Direct Loss or Damage to the Automobile.

and cannot be resolved voluntarily it must be submitted to arbitration within two years of the loss or damage in accordance with sections 176 and 177 of the *Insurance (Vehicle) Regulation*. Sections 176 and 177 of the *Insurance (Vehicle) Regulation* are printed in section 5.4 of this policy.

SECTION 4 EMERGENCY FINANCIAL LIFELINE COVERAGE

4.1 When You Are Covered

We will provide injury benefits and death benefits to you if:

- you have Excess Liability Coverage with us as shown on the Declaration;
- you are the Driver identified on the Declaration and the principal wage earner in your household, or the spouse of the Driver;
- you are injured or die as a result of an accident involving an Automobile in which you are an occupant;
- the Automobile accident occurs while this policy is in effect;
- your injuries or death occur within 60 days of the date of the Automobile accident;
- you (or your estate) provide supporting documentation to our satisfaction within 3 months of the date of the Automobile accident; and
- your injuries prevent you, for seven consecutive days, from performing your daily activities pertaining to your employment, if you are employed at the date of the accident, or performing your household duties if you are otherwise unemployed.

4.2 How Much We Will Pay

We will pay within 48 hours of our receipt of proof of claim:

- (a) \$1,000 for injury of the principal wage earner; and
- (b) \$500 for injury of the spouse of the principal wage earner.

We will pay \$10,000 for death of the principal wage earner or spouse of the principal wage earner to the estate of the principal wage earner or spouse respectively.

4.3 Illegal and Prohibited Use

We will not pay for loss or damage sustained in any of the circumstances described in paragraph 2.6.1 of this policy.

SECTION 5 PRESCRIBED CONDITIONS AND OTHER STATUTORY PROVISIONS

5.1 Prescribed Conditions

Note: The *Insurance (Vehicle) Act* requires that these conditions be printed as part of this automobile insurance policy in British Columbia. For convenience, most of the terms and conditions have been included in each section of the policy where they apply. If there is a discrepancy between Section 5.1 and any other section in the policy, then the terms and conditions set out in Section 5.1 below will prevail.

Application and interpretation

1(1) In these conditions:

“insured” means a person who, whether named or not, is insured by this optional insurance contract;

“territory” means a territory established by the insurer;

“vehicle rate class” means a vehicle rate class established by the insurer.

(2) These conditions apply only in respect of coverage provided by this contract that does not extend the limit of coverage that is specified in a certificate or a policy to a limit that is in excess of that provided by the certificate or policy.

Changes during term of contract

2(1) In this section, “territory in which the vehicle is primarily located when not in use” means the territory in which the place where the vehicle is kept when not being driven is located.

(2) The insured named in this contract must,

- (a) within 10 days after
 - (i) the named insured's address is changed from the address set out in this contract, or

- (ii) the named insured acquires a substitute vehicle for the vehicle described in this contract, or
- (b) before
 - (i) the use of the vehicle described in this contract is changed to a use to which a different vehicle rate class applies than the vehicle rate class applicable to the use set out in this contract, or
 - (ii) a vehicle in respect of which the premium is established on the basis of the territory in which a vehicle of that vehicle rate class is used or principally used, as the case may be, is used or principally used in a different territory than that set out in this contract,

report the change of address, vehicle, use or territory to the insurer, and pay or be refunded the resulting difference in premium.

(3) If the premium for a vehicle is established on the basis of the territory in which the vehicle is primarily located when not in use and that territory as set out in this contract is changed, the insured named in this contract must, unless the vehicle is being used by the insured for vacation purposes, report the change to the insurer within 30 days of the change, and pay or be refunded the resulting difference in premium.

Prohibited use

3(1) The insurer is not liable to an insured who breaches this condition or a subcondition of this condition.

(2) An insured must not operate a vehicle for which coverage is provided under this contract

- (a) if the insured is not authorized and qualified by law to operate the vehicle,
- (b) for an illicit or prohibited trade or transportation,
- (c) to escape or avoid arrest or other similar police action, or
- (d) in a race or speed test.

(3) An insured does not contravene subcondition (2) merely because the insured operates a vehicle in contravention of a restriction or condition imposed on his or her driver's licence by section 30.06 (2), 30.07 (1) or (3), 30.071 (1), 30.08 (1), 30.10 (2) or (4) or 30.11 (1) of the *Motor Vehicle Act Regulations*, B.C. Reg. 26/58.

(4) An insured must not operate a vehicle for which coverage is provided under this contract contrary to the statements contained in the application for insurance for the vehicle, including, but not limited to,

- (a) the use declared in the application for insurance for the vehicle,
- (b) a statement relating to the time during which, and the territories in which, the vehicle may be operated, or
- (c) a statement relating to the kind of goods, or number of passengers, that may be carried in or on the vehicle.

(5) Use of a vehicle does not contravene subcondition (4) if the premium paid for the vehicle rate class applicable to the use set out in the application for insurance is greater than or equal to the premium established by the insurer for the vehicle rate class that is applicable to the use to which the vehicle is put.

(6) An insured must not operate a motor vehicle for which coverage is provided under this contract if there is attached to the motor vehicle a trailer that is required to be registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act* and that is not registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act*.

(7) An insured named in this contract must not permit the vehicle described in this contract to be operated by a person or for a purpose that breaches this condition or a subcondition of this condition or would breach this condition or subcondition of this condition if the person were an insured.

(8) It is a breach of this condition if the injury, death, loss or damage in respect of which a claim is made by an insured is caused by or results from an intentional act of violence committed by the insured, while sane, by means of a vehicle.

(9) It is a breach of this condition if

- (a) an insured is operating a vehicle while under the influence of intoxicating liquor or a drug or other intoxicating substance to such an extent that the insured is incapable of proper control of the vehicle,
- (b) an insured is convicted of
 - (i) a motor vehicle related Criminal Code offence,
 - (ii) an offence under section 95 or 102 of the *Motor Vehicle Act*, or
 - (iii) an offence under a provision of the law of another jurisdiction in Canada or the United States of America that is similar to a provision referred to in subparagraph (i) or (ii),
- (c) an insured is convicted of an offence under section 253 (b) of the Criminal Code, section 224 of the *Motor Vehicle Act* or a provision of another jurisdiction in Canada or the United States that is similar to either of those sections and the accident in respect of which a claim is made by the insured occurred during the commission of the offence by the insured and while the insured was operating a vehicle, or

- (d) an insured is convicted of an offence under section 254 (5) of the Criminal Code, section 226 of the *Motor Vehicle Act* or a provision of the law of another jurisdiction in Canada or the United States of America that is similar to either of those sections and the accident in respect of which a claim is made by the insured occurred within the 2 hours preceding the commission of the offence by the insured and while the insured was operating a vehicle.

(10) In subcondition (9):

“convicted” includes being

- (a) convicted under the *Young Offenders Act* (Canada) for contravening a provision referred to in the definition of “**vehicle related Criminal Code offence**” or section 253 (b) or 254 (5) of the Criminal Code, and
- (b) convicted or the subject of a similar result in a jurisdiction of the United States of America under a law similar to the *Young Offenders Act* (Canada) for contravening a provision of the law of that jurisdiction that is mentioned in subcondition (9) (b) (iii), (c) or (d);

“**motor vehicle related Criminal Code offence**” means an offence under section 220, 221, 249, 252, 253 (a), 255 (2) or (3) or 259 (4) of the Criminal Code committed while operating or having care or control of a vehicle or committed by means of a vehicle.

Requirements if loss or damage to persons or property

4. If this contract provides third party liability insurance coverage, the insured must

- (a) promptly give the insurer written notice, with all available particulars, of
 - (i) any accident involving death, injury, damage or loss in which the insured or a vehicle owned or operated by the insured has been involved,
 - (ii) any claim made in respect of the accident, and
 - (iii) any other insurance held by the insured providing coverage for the accident,
- (b) on receipt of a claim, legal document or correspondence relating to a claim, immediately send the insurer a copy of the claim, document or correspondence,
- (c) cooperate with the insurer in the investigation, settlement or defence of a claim or action,
- (d) except at the insured's own cost, assume no liability and settle no claim, and
- (e) allow the insurer to inspect an insured vehicle or its equipment or both at any reasonable time.

Requirements if loss of or damage to vehicle

5. (1) If loss of or damage to the vehicle insured under this contract occurs, the insured must, if the loss or damage is covered by this contract,

- (a) on the occurrence of loss or damage
 - (i) promptly notify the insurer of the loss or damage, and
 - (ii) file a written statement with the insurer setting out all available information on the manner in which the loss or damage occurred, and
- (b) within 90 days after the occurrence of the loss or damage file a proof of loss.

(2) The insurer may require that a proof of loss be sworn by the person filing it.

(3) If loss of or damage to a vehicle that is covered by this contract occurs, the owner or operator of the vehicle

- (a) must, at the expense of the insurer, protect the vehicle as far as reasonably possible from further loss or damage, and
- (b) until the insurer has had a reasonable opportunity to inspect the vehicle, must not, without the consent of the insurer, remove any physical evidence of the loss or damage to the vehicle or make any repairs to the vehicle, other than repairs that are immediately necessary to protect the vehicle from further loss or damage.

(4) The insurer is not liable under this contract

- (a) for loss or damage resulting from the failure of an owner or operator to comply with subcondition (3) (a), or
- (b) to an owner if the owner or an operator, to the prejudice of the insurer, contravenes subcondition (3) (b).

(5) The liability of the insurer for payment of indemnity for loss or damage to the vehicle is limited to the amount by which

- (a) the cost of repairing or replacing the vehicle and its equipment or any part of it with material of a similar kind or quality,
- (b) the declared value of the vehicle and its equipment, if appropriate, or

- (c) the actual cash value of the vehicle and its equipment, whichever is least, exceeds the deductible amount set out in this contract.
- (6) The insurer is not liable for that part of the cost of repair or replacement that improves a vehicle beyond the condition in which it was before the loss or damage occurred.
- (7) The insurer may determine
- whether a vehicle and its equipment or any part of it will be repaired or replaced, and
 - whether to pay a garage service operator in respect of a repair or replacement instead of making a payment to the insured.
- (8) The liability of the insurer for loss or damage to an obsolete part of an insured vehicle, or a part the manufacturer does not have in stock, is limited to the price at which the part was last listed on the manufacturer's price list.
- (9) If the insurer replaces a vehicle or pays to an insured the declared value or actual cash value of a vehicle or its equipment or both, less any applicable deductible amount in accordance with subcondition (5),
- the insurer is entitled, at its option, to the salvage in the vehicle or its equipment or both, and
 - the insured must, on request of the insurer, execute any documents necessary to transfer to the insurer title to the vehicle or its equipment or both.
- (10) If an insured is a co-insurer under this contract of any loss or damage to a vehicle or its equipment or both,
- the insurer has conduct of the sale or other disposition of the salvage in the vehicle or its equipment or both, and
 - the insured is entitled to share in the proceeds of the sale or other disposition of the salvage in the vehicle or its equipment or both in the same proportion as the insured is a co-insurer of the loss or damage.
- (11) The insured must not leave a vehicle or its equipment or both with the insurer without its consent, refuse to take delivery of the insured's vehicle or its equipment or both from the insurer or otherwise abandon a vehicle or its equipment or both to the insurer without its consent.

Statutory declaration

6. (1) If required by the insurer, the insured must, on the occurrence of loss or damage for which coverage is provided by this contract, deliver to the insurer within 90 days after the occurrence of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others in the vehicle, the encumbrances on the vehicle, all other insurance, whether valid or not, covering the vehicle and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the insured.

- (2) An insured who has filed a statutory declaration must
- on request of the insurer, submit to examination under oath,
 - produce for examination, at a reasonable time and place designated by the insurer, all documents in the insured's possession or control relating to the loss or damage, and
 - permit copies of the documents to be made by the insurer.

Inspection of vehicle

7. The insured must permit the insurer at all reasonable times to inspect the vehicle and its equipment.

Time and manner of payment of insurance money

8. (1) The insurer must pay the insurance money for which it is liable under this contract within 60 days after the proof of loss or statutory declaration has been received by it or, if an arbitration is conducted under section 177 of the Insurance (Vehicle) Regulation, within 15 days after the award is rendered.
- (2) The insured must not bring an action to recover the amount of a claim under this contract unless the requirements of conditions 4, 5 and 6 are complied with and until the amount of the loss has been ascertained by an arbitrator under section 177, by a judgment after trial of the issue or by written agreement between the insurer and the insured.
- (3) Every action or proceeding against the insurer in respect of loss or damage for which coverage is provided under this contract must be commenced within 2 years from the occurrence of the loss or damage.

Who may give notice and proof of claim

9. Notice of a claim related to loss or damage of the vehicle may be given and proof of claim and a statutory declaration 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 or statutory declaration, if the absence or inability is satisfactorily accounted for, or
 - if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

Termination

10. (1) This contract may be terminated
- by the insured named on this contract at any time on request, and
 - by the insurer not less than
 - 5 days after the insurer gives written notice of termination to the insured in person, or
 - 15 days after the insurer sends, by registered mail, written notice of termination to the last address of the insured according to the insurer's records.
- (2) On termination the insurer must refund the excess of premium actually paid by the insured over the proportionate premium for the expired time less any debt owed by the insured to the insurer, but in no event must the proportionate premium for the expired time less any debt owed by the insured to the insurer be less than any minimum retained premium specified in this contract.
- (3) If this contract is terminated by the insurer, the refund must accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund must be made as soon as practicable.

Notice

11. (1) A written notice to the insurer may be delivered at, or sent by registered mail to, the head office of the insurer in British Columbia or to a person appointed as an agent by the insurer for the purpose of receiving notices.
- (2) Written notice may be given to the insured named in this contract by letter personally delivered to the insured or by registered mail addressed to the insured at the insured's latest address according to the insurer's records.
- (3) In this condition and condition 10, "registered" means registered in or outside Canada.

5.2 Forfeiture if Misrepresentation or Breach of Conditions

Pursuant to Section 75 of the *Insurance (Vehicle) Act*, any claim by you or any other Insured Person for coverage under this policy is invalid if:

- in the Declaration of Insurance you provide incorrect information respecting the Described Automobile(s) to our prejudice or you knowingly misstate or fail to disclose any required information;
- you or any other Insured Person breaches any term of this policy;
- you or any other Insured Person commits any fraud in relation to the insurance under this policy; or
- you or any other Insured Person knowingly provides false information in respect of any claim for coverage under this policy.

The exact wording of section 75 of the *Insurance (Vehicle) Act* is as follows:

Forfeiture

75. *All claims by or in respect of the applicant or insured are invalid and the right of an applicant, an insured, or a person claiming through or on behalf of an applicant or insured or of a person claiming as a dependant of the applicant or the insured, to insurance money under the plan or an optional insurance contract, is forfeited if*

- the applicant for coverage under the plan or the optional insurance contract*
 - to the prejudice of the insurer, falsely describes the vehicle in respect of which the application is made, or*
 - knowingly misrepresents or fails to disclose in the application a fact required to be stated in it,*
- the insured violates a term or condition of or commits a fraud in relation to the plan or the optional insurance contract, or*
- the insured makes a wilfully false statement with respect to the claim.*

5.3 Liability When Nuclear Energy Contract Also in Force

The exact wording of section 175 of the *Insurance (Vehicle) Regulation* is as follows:

175 (1) *In this section, "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of prescribed substances under the Atomic Energy Control Act (Canada).*

(2) *If an insured is covered under an optional insurance contract evidenced by a vehicle liability policy for loss or damage resulting from a nuclear energy hazard and is also covered, against such loss or damage under a contract evidenced by a policy of nuclear energy hazard liability insurance issued by a group of insurers and in force at the time of the event giving rise to the loss or damage,*

- the vehicle insurance is excess to the nuclear energy hazard liability insurance; and*
- an unnamed insured under the contract of nuclear energy liability insurance may, in respect of such loss or damage, recover indemnity*

under that contract in the same manner and to the same extent as if named in it as the insured, and for that purpose the unnamed insured is deemed to be a party to the contract and to have given consideration for it.

(3) For the purposes of this section, a contract of nuclear energy hazard liability insurance is deemed to be in force at the time of the event giving rise to the loss or damage, even though the limits of liability under it have been exhausted.

5.4 Arbitrations Regarding Loss or Damage

The exact wording of the Automobile sections 176 and 177 of the *Insurance (Vehicle) Regulation* is as follows:

Disputes about vehicle loss or damage

176 (1) In this section and in section 177, "coverage dispute" means, in relation to insurance against loss of or damage to a vehicle or the loss of use of a vehicle, a dispute between the owner and the insurer as to

- (a) the nature and extent of required repairs or replacement, or
- (b) the amount payable in respect of direct loss of or damage to the vehicle.

(2) Subject to subsection (3), a coverage dispute, unless resolved voluntarily by the parties to it, must be resolved by arbitration under section 177.

(3) A coverage dispute must not be submitted for arbitration more than 2 years after the occurrence of the loss or damage.

Arbitration process

177 (1) If a coverage dispute is, under section 176 (2), required to be submitted to arbitration, the owner or the insurer may refer the matters in dispute to arbitration in accordance with the *Commercial Arbitration Act*.

(2) If the owner and the insurer are unable to agree on the appointment of an arbitrator, the owner or the insurer may apply to the *British Columbia Arbitration and Mediation Institute* to appoint an arbitrator.

(3) An arbitrator appointed under subsection (1) or (2) must,

- (a) within 7 calendar days after his or her appointment, serve notice of the appointment on the owner and the insurer, and
- (b) promptly after his or her appointment,
 - (i) meet or communicate with the owner and the insurer,
 - (ii) gather relevant information,
 - (iii) set a schedule for submission of documents,
 - (iv) set a date on which an award will be made, and
 - (v) deliver the written award with full reasons and documentation by registered mail to the owner and the insurer.

(4) The owner and the insurer must share equally any costs incidental to the arbitration, including the costs of the arbitrator.

OPTIONAL COVERAGE

DECLARED VALUE ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement covers your exceptional Described Automobile as described for the coverage you have requested and which are indicated on the Declaration.

What We Will Pay

We will pay the value of the loss or damage based on the actual cash value of the Described Automobile taking into account depreciation. We will not pay more to repair the Described Automobile than its actual cash value at the time it was damaged or stolen when Collision or Upset, and Comprehensive Coverage are indicated on the Declaration.

Limitations on Your Coverage

We will only pay if the costs for loss or damage to the Described Automobile exceed any applicable deductible amount shown on your Declaration of Automobile Insurance.

If, in applying for this coverage, you declare a value for the Described Automobile, including its equipment, that is less than 90% of its actual cash value, you will be a co-insurer of the Described Automobile. As a co-insurer, you will bear a portion of the loss which will vary depending on the value which you declare. If this occurs, the amount payable by us with respect to claims under the Collision or Upset, or Comprehensive Coverages respecting the Described Automobile is calculated as follows:

Declared Value of the Described Automobile and Equipment

actual cash value of the Described Automobile and Equipment

X Loss – Deductible = Amount Payable

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

EXTENDED SOUND OR COMMUNICATION EQUIPMENT ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement covers permanently attached and shuttle-mounted sound and electronic communication equipment installed in the Described Automobile that was not supplied by or available from the manufacturer of the Described Automobile.

What We Will Pay

We will pay for loss or damage caused by an insured peril to the limit specified on your Declaration of Insurance, or the actual cash value of the equipment, whichever is lesser. This coverage is in excess of any coverage provided, or limited in the policy.

Limitations on Your Coverage

All claims under this Endorsement are subject to the deductible in the policy applicable to the underlying coverage. Radar detectors are not covered.

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

EMERGENCY ROAD SERVICE ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement covers emergency road service. This Endorsement provides some coverage for you when the Described Automobile is unexpectedly disabled while in use.

What We Will Pay

We will reimburse you upon presentation of receipted bills and acceptable evidence of loss, for towing and emergency service expense necessary due to the disablement of the Described Automobile up to \$60 for one occurrence while this policy is in effect.

Limitations on Your Coverage

You are not covered for the cost of parts, supplies, gasoline, oil, batteries or tires.

This coverage applies only in excess of any other valid and collectible emergency road service insurance or benefits available to you.

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

LOSS OF USE ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement provides coverage for other means of transportation made necessary because of insured loss or damage to the Described Automobile (other than theft).

What We Will Pay

If the Described Automobile is rendered inoperable by loss or damage of the type covered in the Collision or Upset, or Comprehensive Coverage (other than

theft) purchased by you, we will pay all resulting reasonable expenses incurred by you for the rental of a similar substitute motor vehicle (not owned by you) or for taxi cabs or public transportation, subject to the limits per day and per occurrence stated in your Declaration of Automobile Insurance. We will pay from the time of the loss or damage.

If the Described Automobile is damaged so that it cannot be operated under its own power, we will pay from the time of the loss or damage.

Limitations on Your Coverage

This coverage ends on the date that the Automobile is repaired or replaced or the date we offer you a payment to settle the claim under the Collision or Upset, or Comprehensive Coverage, whichever is the earliest.

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

LIMITED WINDSHIELD COVERAGE ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement limits your coverage under the Comprehensive Coverage Option for loss or damage to the windshield or windows of the Described Automobile. This entitles you to a reduced premium as shown on your Declaration.

What We Do Not Cover

If you have purchased the option of Comprehensive Coverage for the Described Automobile, that coverage is hereby amended to exclude all loss or damage to the windshield or windows of the Described Automobile except as provided below.

What We Will Pay

We will pay for loss or damage to the windshield or windows of the Described Automobile caused by:

- fire or lightning;
- theft or attempted theft;
- windstorm or hail; or
- explosion.

We will also pay for loss or damage to all windows of the Described Automobile, except the front window or windshield, caused by vandalism.

Limitations on Your Coverage

All claims under this coverage are subject to the applicable deductible.

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions, and exclusions of the policy shall have full force and effect.

RENTAL AUTOMOBILE ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement provides coverage when you rent an Automobile for use in Canada or the United States of America. It will allow you to rent an Automobile when you are on a vacation or a business trip without having to buy additional insurance from the rental company.

Definitions

Rental Automobile means a legally licensed Automobile owned by a rental company and rented to you under a Rental Agreement for pleasure or business purposes.

Rental Agreement means a legally enforceable written contract for the short-term rental (not exceeding 30 days) of a Rental Automobile.

Damage To Rented Automobile

Who We Cover

We cover the Named Insured and the spouse of the Named Insured if the spouse is listed on the Rental Agreement.

What We Cover

Subject to the limits below, we will indemnify you against liability, under the Rental Agreement or otherwise, for loss or damage to the Rental Automobile of the type covered in the Collision or Upset, or Comprehensive Coverage of this Policy.

How Much We Pay

The amount payable by us under this coverage is limited to the amounts that would be payable if the Rental Automobile had been owned by you and insured under the Collision or Upset, or Comprehensive Coverage of this Policy, subject to a Collision or Upset, deductible of \$300 and a Comprehensive deductible of \$200.

Where a claim is made under this coverage we have the right, but not the duty, to adjust the claim with and remit any amounts payable directly to the owner of the Rental Automobile on behalf of you.

Loss of Use of the Rental Automobile

If the Rental Automobile is stolen or rendered inoperable by loss or damage of the type covered in the Collision or Upset, or Comprehensive Coverage of this Policy, we will pay all resulting reasonable expenses incurred by you for the rental of a similar substitute motor vehicle (not owned by you) or for taxi cabs or public transportation, up to \$50 per day and an aggregate maximum of \$500 per occurrence.

Limitation on Your Coverage

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

REPLACEMENT COST ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement provides replacement coverage in the event of theft of the entire Described Automobile, or in the event the cost of repairing insured loss or damage to the Described Automobile exceeds the actual cash value of the Described Automobile. In the event of partial loss or damage to the Described Automobile, this Endorsement provides coverage for the cost of repairing any insured loss or damage to the Described Automobile with new parts of like kind and quality.

What We Will Pay

If the cost of repairing insured loss or damage to the Described Automobile under the Collision or Upset, or Comprehensive Coverage you have purchased exceeds the actual cash value of the Described Automobile, including its options and equipment, then we will replace the Described Automobile with that current make and model.

Should a replacement motor vehicle not be available within 30 days of the total loss, we will pay you the lesser of:

- the amount to be paid for the current make and model; or
- the original net purchase price of the Described Automobile, or the manufacturer's list price at the date of purchase of the Described Automobile, whichever is the least, plus the inflation factor.

Inflation factors:

- 2.5% if the date of loss occurred before January 1 of the first calendar year following the model year
- 5.0% if the date of loss occurred before January 1 of the second calendar year following the model year
- 7.5% if the date of loss occurred before January 1 of the third calendar year following the model year

In the event of partial loss or damage to the Described Automobile, we will pay the cost of repairing the Described Automobile with new parts of like kind and quality and we will waive any depreciation charge **except** on pre-existing unrepaired accident damage.

We waive our rights under Prescribed Condition 5(5) to pay you the actual cash value of the Described Automobile.

Limitations on Your Coverage

The most we will pay is the amount payable for a current make and model. We will not provide replacement cost resulting from the necessary repair of parts having prior unrepaired damage.

This replacement cost coverage only applies:

- for insured loss or damage resulting from fire, theft, vandalism or malicious mischief until December 31 of the first calendar year following the model year; and
- for all other insured loss or damage, until December 31 of the second calendar year following the model year.

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

TRAVEL PROTECTION ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement covers you when you need to pay unexpected expenses while on a trip away from home due to an accident involving or theft of the Described Automobile.

What We Will Pay

If, during a trip away from home with the Described Automobile, it is stolen or rendered inoperable by loss or damage of the type covered in the Collision or Upset, or Comprehensive coverages purchased by you, we will reimburse you for any of the following reasonable expenses that arise directly from the insured loss or damage:

Additional living expenses	up to \$1,500, for 2 or less persons; or up to \$2,500 for 3 or more persons
Replacement vehicle	up to \$500
Towing	up to \$100
Travel expense for you to return home	up to \$3,000, for 2 or less persons; or up to \$6,000, for 3 or more persons
Expense to return the Described Automobile home	up to \$1,000
Collision deductible	We will reimburse your Collision or Upset deductible if you or any other Insured Person are not primarily legally responsible for the damage to the Described Automobile and if the person or persons legally responsible for the damage to the Described Automobile are not insured by us.

Limitations on Your Coverage

We will only pay if you present us with receipted bills for the expenses claimed and if the expenses listed above which are for loss or damage to the Automobile exceed any applicable deductible amount shown on your Declaration.

If the Described Automobile is stolen, we will only pay for those costs incurred after the theft has been reported to us.

This coverage ends on the earliest of the following dates:

- the date the Described Automobile is repaired or replaced; or
- the date we offer you a payment to settle the claim under the Collision or Upset, or Comprehensive Coverage, or
- the date you return to your home.

Except as otherwise provided in this Endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

STORAGE ENDORSEMENT

You only have a particular coverage for a specific Automobile if your Declaration of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

This Endorsement provides coverage for the Described Automobile when it is in storage on Private Property in Canada or the United States and not being driven by you or any other person.

Definition

Private Property includes a parking space in an apartment, condominium or similar building designated for your use;

What We Cover

We will provide you with the coverage set out in the policy subject to the limitations set out below so long as the Described Automobile is kept in storage on Private Property in Canada or the United States.

Limitations on Your Coverage

There is no coverage available under the policy or pursuant to this Endorsement if the Described Vehicle is driven on a highway, private property or elsewhere, or parked in any public area including on a highway.

Except as otherwise provided in this Endorsement all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.



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