



Effective June 2007

APV4V (022010)



ICBC Garage Policy Booklet 



Insurance Corporation of British Columbia Garage Policy Booklet

TABLE OF CONTENTS

<p>Division 1 – Insuring Agreements..... 1</p> <p>Division 2 – Definitions and Interpretation 1</p> <p>Division 3 – General Terms and Conditions 2</p> <p>Division 4 – Extension Third Party Liability Coverage..... 3</p> <p>Division 5 – Own Damage Coverage 3</p> <p style="padding-left: 20px;">Part 1 – Interpretation and Application..... 3</p> <p style="padding-left: 20px;">Part 2 – Types of Own Damage Coverage 3</p> <p style="padding-left: 40px;">Part 2A – Collision, Comprehensive, and Specified Perils 3</p> <p style="padding-left: 40px;">Part 2B – Loss of Use..... 7</p> <p style="padding-left: 20px;">Part 3 – General Terms and Conditions 7</p> <p>Division 6 – Not Applicable</p>	<p>Division 7 – Not Applicable</p> <p>Division 8 – Prescribed Conditions 9</p> <p>Division 9 – Not Applicable</p> <p>Division 10 – Garage Policy Terms and Conditions</p> <p style="padding-left: 20px;">General Provisions, Definitions and Exclusions (APV4C)..... 13</p> <p style="padding-left: 20px;">Section 1 – Owned or Customers’ Vehicles Third Party Liability, Accident Benefits, First Party Coverage and Underinsured Motorist Protection Rider (APV4D) 15</p> <p style="padding-left: 20px;">Section 3 – Legal Liability for Own Damage Coverage to Customers’ Vehicles Rider (APV4F) 16</p> <p style="padding-left: 20px;">School Garage Endorsement (APV4AB)..... 17</p> <p style="padding-left: 20px;">Implement Dealer Endorsement (APV4AC) 17</p> <p style="padding-left: 20px;">Broker Driver Endorsement (APV4AE)..... 17</p> <p style="padding-left: 20px;">Employee Averaging Endorsement (APV4AH) 17</p> <p style="padding-left: 20px;">Consequential Loss Endorsement (Customers’ Vehicles) (APV4P)..... 17</p>
---	---

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.

Division 1 – Insuring Agreements

In consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions stated in this policy, and subject always to the condition that the Corporation shall be liable only under the Division(s), Part(s) or section(s) of this policy which are indicated as applicable or for which a premium is specified in the garage vehicle certificate, and no other, the Corporation agrees as follows:

Division 2 – Definitions and Interpretation

2.1 **Application** – Unless otherwise provided, the terms and conditions of this Division 2 apply to all Divisions of this policy.

2.2 **Act and Regulation definitions** – Unless otherwise defined in this policy, words and phrases used in this policy have the meanings given to them by sections 1 and 1.1 of the Insurance (Vehicle) Act (the “Act”) and section 1 of the Insurance (Vehicle) Regulation (the “Regulation”) and apply to this policy even if in the context of the Act or Regulation they apply only to universal compulsory vehicle insurance.

2.3 **Definitions** – unless otherwise defined in this policy, the following words and phrases have the following meanings:

“**applicant**” means a person who applies for insurance evidenced by this policy;

“**application**” means an application in a form prescribed by the Corporation and signed by the applicant;

“**collision coverage**” means coverage for loss or damage caused by upset of a vehicle or collision of a vehicle with another object, including, but not limited to,

- (a) the surface of the ground, the roadway being travelled on or an object on, in, under, over or adjacent to the roadway, including a road sign, guard rail, pier, bridge or culvert or any body of water or waterway under or adjacent to the pier, bridge, culvert or roadway,
- (b) a pedestrian as defined in Part 3 of the Motor Vehicle Act,
- (c) a vehicle attached to the vehicle, and
- (d) cargo, including animals, carried in or on a commercial motor vehicle, the gross vehicle weight of which exceeds 5,000 kg, or a commercial trailer,

and includes coverage for loss or damage caused by collision with another object where the collision results from the presence on or adjacent to the roadway of

a domestic or wild animal, either living or dead, but there is no impact with the animal;

“**comprehensive coverage**” means coverage for loss or damage other than loss or damage to which collision coverage applies and includes coverage for loss or damage caused by missiles, falling or flying objects, lightning, fire, theft or attempted theft, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion or the stranding, sinking, burning, derailment, upset or collision of a conveyance in or on which a vehicle is being transported on land or water, vandalism and impact with a domestic or wild animal, either living or dead;

“**Corporation**” or “**insurer**” mean the Insurance Corporation of British Columbia;

“**garage vehicle certificate**” means a Garage Vehicle Certificate (APV4) and includes any amendment, rider or endorsement to the Garage Vehicle Certificate;

“**industrial machine**” means a motor vehicle licensed or eligible to be licensed under section 10 of the Motor Vehicle Act but does not include

- (a) a road building machine, or
- (b) a motor vehicle designed or used primarily for transporting persons;

“**location address**” means the place where a vehicle is primarily kept when not in use;

“**owner’s certificate**” means an owner’s certificate as defined in the Act;

“**premium-related debt**” includes interest, charges and fees due to the Corporation, including those for financial assistance given by the Corporation in respect of premium;

“**private passenger motor vehicle**” means a motor vehicle that is registered and licensed under the Motor Vehicle Act as a private passenger vehicle;

“**specified perils coverage**” means coverage for loss or damage caused by falling or forced landing of an aircraft or part of an aircraft, fire, lightning, theft or attempted theft, explosion, earthquake, windstorm, hail, rising water, riot or civil commotion or the stranding, sinking, burning, derailment, upset or collision of a conveyance in or on which a vehicle is being transported on land or water;

2.4 **References** – A reference:

- (a) to a certificate, policy, endorsement, permit or licence is a reference to a valid and subsisting certificate, policy, endorsement, permit or licence, and
- (b) to this policy or this contract includes this booklet, the application for this policy, and the garage vehicle certificate.

Division 3 – General Terms and Conditions

- 3.1 **Application** – Unless otherwise provided, the terms and conditions of this Division 3 apply to all Divisions of this policy.
- 3.2 **Policy does not apply** – Unless otherwise provided, this policy does not apply and no coverage will be provided in respect of
- (a) a vehicle licensed under section 9 of the Motor Vehicle Act while the vehicle is being operated off a highway,
 - (b) a trailer while being drawn otherwise than by vehicle power or human power,
 - (c) a vehicle being operated by remote control without a driver,
 - (d) an aircraft except when the aircraft is being drawn as a trailer on a highway,
 - (e) a vehicle being used in a contest, show or race, or in advanced or performance driver training, if
 - (i) the activity is held or conducted on a track or other location temporarily or permanently closed to all other vehicle traffic, and
 - (ii) there exists an element of race or speed test, which means driving at high speed, and includes passing maneuvers, driving in close proximity to another vehicle or assessing vehicle limitations in speed, acceleration, turning or braking,
 - (f) an amphibious vehicle when being used in or upon water, when docked or floating in water, or when being launched into or landed from water, or
 - (g) a vehicle that is fitted with wheels of the crawler type while the vehicle is being operated off a highway, except if that vehicle is
 - (i) licensed under section 10 of the Motor Vehicle Act, or
 - (ii) snowmobile or a snow vehicle.
- 3.3 **Interpretation Act** – Section 25 (2) and (3) of the Interpretation Act do not apply in respect of renewal of this policy, and this policy is not in force in the interval between its expiry and renewal. This policy is not in force at any time that the garage vehicle certificate to which it relates is not in force.
- 3.4 **Premiums and payments** –
- (a) Any premium payable or refundable in respect of changes to or termination of this policy shall be rounded to the nearest dollar and an amount ending in 50 cents shall be raised to the next higher dollar, but no payment shall be required and no refund shall be made if the rounded total is less than \$5.

- (b) The Corporation may recover interest on unpaid premium and premium-related debt at the rate set out from time to time for the same purpose in the tariff or schedule of rates for universal compulsory vehicle insurance approved by the British Columbia Utilities Commission.
 - (c) The following are jointly and severally liable to the Corporation to pay for premium or premium-related debt owing to the Corporation in respect of this policy:
 - (i) each registered owner of a vehicle for which this policy is issued;
 - (ii) each registered owner and each lessee of a leased vehicle for which this policy is issued, regardless of whether the registered owner or the lessee paid for the insurance.
- 3.5 **Substitute vehicles** – Where an owner of a vehicle described in an owner's certificate issued in conjunction with the garage vehicle certificate
- (a) acquires, during the term of this policy, another vehicle in substitution for the described vehicle,
 - (b) transfers title to or interest in the described vehicle, and
 - (c) removes the number plates from the described vehicle, in accordance with section 3.05 of the Motor Vehicle Act Regulations, B.C. Reg. 26/58, and displays them on the substitute vehicle,
- the coverage provided by this policy applies in respect of the substitute vehicle for a period of 10 days from the day the owner acquires the substitute vehicle.
- 3.6 **Exclusion** –
- (a) The Corporation is not liable
 - (i) under this policy in respect of injury, death, loss or damage arising, directly or indirectly, out of radioactive, toxic, explosive or other hazardous properties of prescribed substances under the Atomic Energy Control Act (Canada), or
 - (ii) under Division 5 of this policy in respect of loss or damage arising, directly or indirectly out of a declared or undeclared war or insurrection, rebellion or revolution.
 - (b) Subsection (a) (i) does not apply to the carriage of radio-isotopes that are
 - (i) packaged and labelled in accordance with the Transportation of Dangerous Goods Act (Canada), and
 - (ii) to be used for medical treatment, research, photography, x-ray or other similar purposes utilizing radio-isotopes.

Division 4 – Extension Third Party Liability Insurance Coverage

Coverage provided by this contract that extends the limit of coverage that is specified in a certificate or a policy is provided on the same terms and conditions of the coverage that is extended, except in respect of a prohibition, exclusion or different limit of coverage that is permitted by the Insurance (Vehicle) Act.

- 4.1 **Extension third party liability insurance coverage** – The Corporation agrees to extend the limit of third party liability insurance coverage provided to the insured under Part 1 of the Act and regulations made under that Part to the amount shown on the garage vehicle certificate. Coverage provided under this section is on the same terms and conditions as set out in the Act and Regulation for third party liability insurance coverage provided under Part 1 of the Act, unless otherwise provided in this policy, an endorsement, rider or amendment to this policy, or a special coverage certificate or policy.

Division 5 – Own Damage Coverage

This policy contains a partial payment of loss clause.

PART 1 – INTERPRETATION AND APPLICATION

- 5.1 **Interpretation** – In this Division:

“**camper**” means a removable structure designed to be mounted on a motor vehicle to provide facilities for human habitation or camping;

“**custom vehicle**” means an ambulance, hearse, leisure van, limousine, modified commercial vehicle, modified motor vehicle, replicar, replikit, specialty vehicle or ublit.

“**deductible amount**” means that part of a loss or damage to property sustained by an insured and payable by the insured regardless of the total amount of the loss or damage;

“**equipment**” means, with respect to a vehicle to which section 5.11 applies, the equipment referred to in the applicable subsections of that section;

“**insured**” means, except in section 5.6,

- (a) the named insured on the garage vehicle certificate, or
- (b) where the person described in paragraph (a) is deceased, the personal representative of that person,

“**motor home**” means a motor home as defined in the Motor Vehicle Act;

“**total limit all locations**” means the amount shown on the garage vehicle certificate for own damage coverage for all of the insured’s owned vehicles;

“**windshield damage**” means any fractures, cracks or chips, caused by missiles or flying objects, occurring to the glass or other transparent shielding located at the front of a vehicle which protects or shields occupants of the vehicle from the wind.

- 5.2 **Application** – This Division does not apply and no own damage coverage will be provided in respect of
- (a) a mobile crane, meaning a fixed load vehicle to which is permanently attached a machine for the raising, shifting and lowering of weights by means of a projecting swinging arm,
 - (b) logging machinery or equipment, other than a logging truck or trailer designed principally for use on a highway, and
 - (c) an industrial machine of the crawler type, other than a snow vehicle and a snowmobile.
- 5.3 **Own damage coverage** – The Corporation shall provide the type of own damage coverage for which a premium is indicated on the garage vehicle certificate or special coverage certificate or policy.

PART 2 – TYPES OF OWN DAMAGE COVERAGE

PART 2A – COLLISION, COMPREHENSIVE AND SPECIFIED PERILS

- 5.4 **Indemnity** – With respect to the type of coverage for which a premium is indicated on the garage vehicle certificate or special coverage certificate or policy, the Corporation shall, subject to the terms of this Division, indemnify an insured, to the extent of the insured’s insurable interest, in respect of direct and accidental loss or damage to a vehicle or its equipment or both insured under section 2 or 3 of the garage vehicle certificate that
- (a) occurs in Canada or the United States of America or on a vessel travelling between Canada and the United States of America, and
 - (b) is caused by one of the perils for which the own damage coverage is provided.
- 5.5 **Additional coverage** – Where loss or damage described in section 5.4 occurs, the Corporation shall pay, in addition to any amount payable for the loss or damage, any amount for which the insured is liable for
- (a) any general average, salvage or fire department charges,

- (b) any customs duties or bond required by Canada or the United States of America arising from replacement parts used to repair the vehicle in the United States of America as a result of an accident occurring there, and
- (c) any bond required by a court, a province of Canada or a state of the United States of America.

5.6 **Temporary substitute motor vehicle –**

- (a) In this section:

“insured” means

- (i) the named insured on the garage vehicle certificate,
- (ii) a member of the named insured’s household,
- (iii) an employee or partner of the named insured for whose regular use a vehicle insured under the garage vehicle certificate is provided, and
- (iv) the spouse of an employee or partner described in paragraph (iii) where the spouse resides with the employee or partner.

“temporary substitute motor vehicle” means

- (i) a commercial motor vehicle having a gross vehicle weight of not more than 5,000 kg, or
- (ii) a private passenger motor vehicle

temporarily used as a substitute for a motor vehicle insured under the garage vehicle certificate that is broken down, is being repaired or serviced, is lost or destroyed or has been sold, but does not include a motor vehicle owned by or leased to an insured except, in the case of a leased motor vehicle, it may include a motor vehicle owned by a lessor.

- (b) Subject to subsection (c), the Corporation shall indemnify an insured for liability imposed by law, or assumed under a contract or other agreement, for direct and accidental loss or damage to a temporary substitute motor vehicle arising from the care, custody or control of the motor vehicle by the insured.
- (c) Indemnity payable under this section is subject to the deductible amount and the terms and conditions of this policy with respect to the type of own damage coverage for which a premium is indicated on the garage vehicle certificate but nothing in this subsection removes the right of the owner of the temporary substitute motor vehicle, who has not breached a term or condition of this policy, to indemnity under this section.

5.7 **Limit of liability –** If the garage vehicle certificate sets out a deductible amount of \$300 for comprehensive coverage, the deductible amount applicable to any claim that includes windshield damage shall be \$200.

5.8 **Repairs or replacement at cost –** An insured who is in the business of a garage service operator shall, on request of the Corporation, repair or replace a vehicle for which the insured makes a claim under this Division, and any amount payable to the insured in respect of the vehicle shall not exceed the actual cost to the insured of repairing or replacing the vehicle.

5.9 **Restrictions on indemnity –**

- (a) The Corporation is not liable to indemnify any person under comprehensive or collision coverage for loss or damage
 - (i) to tires,
 - (ii) consisting of, or caused by, mechanical fracture, failure or breakdown of any part of a motor vehicle, or
 - (iii) caused by
 - (A) explosion within the combustion chamber,
 - (B) rust,
 - (C) corrosion,
 - (D) freezing, or
 - (E) wear and tear,

unless the loss or damage is coincidental with other loss or damage for which indemnity is provided under comprehensive or collision coverage or is caused by fire, theft or malicious mischief.

- (b) The Corporation is not liable to indemnify any person under this Division for loss or damage
 - (i) caused by conversion, theft or concealment of a vehicle by a person in lawful possession of the vehicle under a lease, rental agreement or similar written agreement,
 - (ii) caused by a voluntary surrender of title to a vehicle, whether or not the surrender of title is induced by fraud,
 - (iii) covered by comprehensive or specified perils coverage and arising out of theft of a vehicle by a person who resides with the insured or is an employee of the insured,

- (iv) to any contents of trailers, campers, motor homes or motor vehicles, except as provided in section 5.11 or 5.12, or
- (v) to a motor vehicle licensed and insured as a trailer unless, when the loss or damage occurs, the vehicle is being operated as a trailer.

5.10 Not applicable

5.11 Coverage for equipment –

- (a) For the purposes of this section:

“additional equipment” of a motor vehicle means

- (i) child safety harnesses and restraints, but only while in the motor vehicle, despite subsection (c),
- (ii) except for a commercial motor vehicle, the gross vehicle weight of which exceeds 5,000 kg, a maximum of 4 snow tires and wheels or summer alternatives for snow tires, limited to tires and wheels of the size specified by the manufacturer of the motor vehicle, and a maximum of four snow chains, irrespective of the number of drive wheels of the motor vehicle,
- (iii) with respect to a collision claim for a motorcycle, helmets designated as approved motorcycle safety helmets under the Motor Vehicle Act regulations,
- (iv) sufficient floor mats for the motor vehicle,
- (v) one non-permanently attached carrying rack, to a maximum value of \$1,000,

and for all vehicles includes

- (vi) the following items:
 - (A) one safety kit, to a maximum value of \$250,
 - (B) one wheel wrench,
 - (C) sufficient seat covers, including comfort seats, for the number of seats,
 - (D) one tire cover,
 - (E) one car jack,
 - (F) one vehicle security alarm system, and
 - (G) one detachable hard or soft top;

“custom paint finish” means a paint finish other than one applied by the manufacturer of the vehicle or another similar paint finish, but does not include pinstriping, lettering, or sign painting;

“original manufacturer’s equipment” of a motor vehicle means equipment that

- (i) at the time the motor vehicle is manufactured is available from the manufacturer as standard or optional equipment, and
- (ii) is attached to the motor vehicle by the manufacturer, manufacturer’s dealer or an owner of the motor vehicle,

and includes replacement tires sufficient for the number of wheels of the motor vehicle that are of the size specified by the manufacturer of the motor vehicle;

“permanently attached equipment” of a vehicle means equipment attached to the vehicle that requires the use of a tool or tools to remove;

“protective treatment” means the application of a substance designed to protect the vehicle and includes undercoating and rust-proofing;

“shuttle mount” means a device that is permanently attached to a motor vehicle and, by design, is used to attach to a motor vehicle sound and communication equipment that may be removed from the motor vehicle without tools for storage in another location but cannot be operated in a location other than in the motor vehicle.

- (b) Subject to subsections (c) and (d), coverage is provided for loss or damage to
 - (i) original manufacturer’s equipment,
 - (ii) permanently attached equipment,
 - (iii) additional equipment,
 - (iv) all paint finish, including custom paint finish,
 - (v) sound and communication equipment attached by a shuttle mount,
 - (vi) fixtures and fittings not permanently attached that form part of the equipment of a motor home or of a travel trailer,
 - (vii) television sets and video players that are permanently attached to a motor home, leisure van, limousine, or to a travel trailer and are designed to be removable from the vehicle for operation in another location, and
 - (viii) one spare tire and wheel,

only if the value of the equipment is included in the total limit all locations.

- (c) Coverage is provided under subsection (b) for loss or damage to equipment that was attached to or installed in a vehicle and at the time of loss or damage
 - (i) remains attached to or installed in the vehicle, or
 - (ii) is temporarily removed from the vehicle.
- (d) Despite subsection (b)
 - (i) coverage under that subsection includes protective treatment, but does not include
 - (A) any device intended to circumvent law enforcement, including a radar detector, laser jammer or laser detector,
 - (B) sound and communication equipment that is designed to be removable from the vehicle for operation in another location, or
 - (C) a track conversion system that replaces one or more sets of tires or wheels required by the original design of a vehicle for its operation,
 - (ii) the Corporation is not liable to indemnify any person for theft of shuttle mounted sound and communication equipment unless damage is caused to the vehicle or the building from which the equipment is taken by forcible entry into that vehicle or building, and
 - (iii) coverage for motorcycle safety helmets is limited to the replacement cost of not more than 2 such helmets to a limit of \$300 per helmet.

5.12 Motor home contents –

- (a) In this section:

“contents of the motor home” means unattached personal property only while contained in an insured motor home but does not include any of the following:

 - (i) motorized vehicles, bicycles or watercraft, or the furnishings, equipment or belongings of any of them,
 - (ii) money, bullion, securities, manuscripts, jewelry, precious and semi-precious stones, watches, furs, articles of clothing, stamps and philatelic property, collections of coins or paper currency, books of account, evidence of title or debt, bills or other documents,
 - (iii) property pertaining to a business, profession or occupation,
 - (iv) property illegally acquired, kept, stored or transported,

- (v) equipment for which coverage is provided under section 5.11 (b), or any other sound and communication equipment, television set or video player, whether permanently attached to the motor home or not.

“replacement cost” means the cost, at the time of the loss or damage, to replace with like kind and quality, without deduction for depreciation.

- (b) In addition to the coverage for equipment provided under section 5.11, for a motor vehicle described as a motor home in an owner's certificate issued in conjunction with the garage vehicle certificate, the Corporation will indemnify the insured to the extent of the insured's insurable interest, in an amount not exceeding \$2,000, for the replacement cost of the contents of the motor home as a result of the direct and accidental loss or damage to the contents of the motor home caused by one of the perils for which a premium for own damage coverage is indicated on the garage vehicle certificate.
- (c) If the insured has a claim under this Division for both loss or damage to the motor home and its equipment and loss or damage to the contents of the motor home and that loss or damage results from the same occurrence, the deductible amount applicable to the type of own damage coverage shall only be applied once to the total value of the combined loss or damage to the motor home and its equipment and to the contents of the motor home.

5.13 Loss of use due to theft –

- (a) Where loss or damage arises out of theft of an entire vehicle covered under this Division, the Corporation shall, subject to subsection (b) and section 5.9 (b) (iii), reimburse the insured for the expense incurred in renting a substitute vehicle, hiring a taxi or using public transportation.
- (b) Reimbursement under this section
 - (i) is limited to expenses incurred during the period commencing 72 hours after the theft is reported to the police and terminating on the earlier of
 - (A) the date on which repairs to the insured vehicle are completed, or
 - (B) the date on which the Corporation settles or offers to settle the claim in respect of the vehicle,
 - (ii) shall not exceed \$40 per day up to a total limit of \$800, and
 - (iii) is available only after the total limits of loss of use coverage to which the insured may be entitled under section 5.14 have been exhausted.

PART 2B – LOSS OF USE

5.14 Loss of use coverage –

- (a) Subject to subsections (b) and (c), the Corporation shall reimburse an insured for liability for loss of use of a customer's vehicle that arises from loss or damage for which coverage under this Division is provided by the garage vehicle certificate.
- (b) Except in the case of the theft of an entire vehicle, subsection (a) applies only if the Corporation has paid for a claim for loss or damage for which coverage under this Division is provided by the garage vehicle certificate with respect to the customer's vehicle.
- (c) Reimbursement under subsection (a) shall,
 - (i) subject to subsection (d), cover the expense incurred by the insured's customer in hiring taxis, using public transportation or renting a substitute vehicle of a make and model specified by the Corporation that, for the purpose of providing the customer with alternate transportation, is a similar size to the customer's vehicle,
 - (ii) not exceed the limit per day and total limit set out in the garage vehicle certificate, and
 - (iii) terminate on the earlier of
 - (A) the date on which repairs to the customer's vehicle arising from the loss or damage are substantially completed, and
 - (B) the date on which the Corporation settles or offers to settle the claim for the loss or damage to the customer's vehicle.
- (d) Where an insured's customer rents a substitute vehicle, the Corporation shall not reimburse the insured for
 - (i) more than the amount an established rental service would charge for renting a similar vehicle for the same period, or
 - (ii) the cost of fuel, maintenance or insurance for the substitute vehicle.
- (e) A deductible amount is not applicable to a claim under this section.

PART 3 – GENERAL TERMS AND CONDITIONS

- 5.15 **Claims** – Each occurrence causing loss or damage for which coverage is provided under this Division gives rise to a separate claim.

5.16 Condition – The Corporation is not liable under this Division

- (a) to an insured in respect of loss or damage arising out of theft of a vehicle or part of a vehicle, or theft of the contents of a motor home, if the owner, without reasonable cause and to the prejudice of the Corporation, has not,
 - (i) within 48 hours after the discovery of the theft, loss or damage, made to police a report of the circumstances in which the theft, loss or damage occurred,
 - (ii) obtained a police case file number for the report, and
 - (iii) within 7 days after making the report to police, advised the Corporation of the circumstances in which the theft, loss or damage occurred and of the police case file number, and
- (b) to an insured who, without reasonable cause and to the prejudice of the Corporation, fails to comply with section 67 or 68 of the Motor Vehicle Act or with a provision of the law of another jurisdiction in Canada or the United States of America that is similar to either section.

- 5.17 **Temporary repairs** – The Corporation is not liable to an insured in respect of temporary repairs made in order to move a vehicle, under its own power, to a place where repairs are to be completed, if the insured or the owner of the vehicle has, without reasonable cause and to the prejudice of the Corporation, failed to obtain the consent of the Corporation to the temporary repairs.

5.18 Right of recovery –

- (a) Subject to subsection (b), where loss or damage occurs to a vehicle, a vehicle's equipment or the contents of a motor home while the vehicle or motor home is, with the consent of the owner, in the care, custody or control of any person, the Corporation waives its right to recover from that person any amount paid under this Division unless the person
 - (i) breaches a condition of this policy while having care, custody or control of the vehicle,
 - (ii) without reasonable cause and to the prejudice of the Corporation, fails to comply with section 67 or 68 of the Motor Vehicle Act, or with a provision of the law of another jurisdiction in Canada or the United States of America that is similar to either section,
 - (iii) wilfully makes a false statement with respect to loss or damage to the vehicle,

- (iv) has care, custody or control of the vehicle while engaged in the business of a garage service operator, or
- (v) has care, custody or control of the vehicle under a bill of lading.
- (b) That part of the amount paid under this Division that is recoverable by the Corporation from a person who had care, custody or control of a vehicle under a bill of lading shall not exceed the amount by which the liability of that person is limited under the bill of lading.

5.19 **Leased vehicles** – The Corporation may settle claims arising from the operation of a vehicle leased or rented under a written agreement of more than one month directly with the owner and lessee of the vehicle, as their interests appear.

5.20 **Right of lienholder to submit statutory declaration –**

- (a) Where an owner fails to
 - (i) notify the Corporation of loss or damage to a vehicle or file a written statement or proof of loss under Prescribed Condition 5, or
 - (ii) file a statutory declaration required under Prescribed Condition 6, the insured agrees that a lienholder having an interest in the vehicle may notify the Corporation or file the written statement, proof of loss or statutory declaration, if the interest of the lienholder is confirmed by attached documentation.
- (b) On receipt of the documents described in subsection (a), the Corporation may, at its sole discretion, subject to subsections (c) and (d), pay insurance money solely to the lienholder.
- (c) The Corporation shall not pay any amount under subsection (b) to a lienholder who fails to comply with all the terms and conditions of this Division.
- (d) If the Corporation elects to pay insurance money solely to the lienholder under subsection (b), the amount shall not be greater than that to which the insured is entitled and shall be limited to the amount by which
 - (i) the declared value of the vehicle,
 - (ii) the actual cash value of the vehicle, or
 - (iii) the value of the interest of the lienholder in the vehicle immediately before the loss or damage occurred,
 whichever is least, exceeds the applicable deductible amount.

5.21 **Payment to lienholder or repairer –**

- (a) Where insurance money is payable in respect of total or constructive total loss of a vehicle covered under this Division, the Corporation may pay the money jointly to the owner and any one or more lienholders or to the owner and those lienholders as their respective interests appear in the personal property registry.
- (b) Where insurance money is payable in respect of repairable damage to a vehicle insured under this Division, the Corporation may, whether or not a financing statement is registered against the vehicle at the personal property registry, pay all or part of the money
 - (i) on behalf of the owner, to the garage that repairs the vehicle,
 - (ii) to the owner of the vehicle, or
 - (iii) jointly to the garage that repairs the vehicle and to the owner of the vehicle.

5.22 **Other insurance** – Where an insured is insured by one or more other insurers for loss or damage for which coverage is also provided under this Division,

- (a) the insured shall, on the occurrence of the loss or damage, promptly disclose to the Corporation details of the other insurance, and
- (b) the Corporation is liable for no more than,
 - (i) where the policy limit of each other insurer equals the amount by which the liability of the Corporation is limited under section 5.7 and Prescribed Condition 5, that share of the loss or damage, up to the amount by which liability is so limited, that is proportionate to the total number of insurers providing coverage for the loss or damage, and
 - (ii) where the policy limit of one or more of the insurers differs from the amount by which the liability of the Corporation is limited under section 5.7 and Prescribed Condition 5, that share of the loss or damage, up to the amount by which liability is limited under the coverage having the lowest limit, that is proportionate to the total number of insurers providing coverage for the loss or damage.

Division 6 – Not Applicable

Division 7 – Not Applicable

Division 8 – Prescribed Conditions

Coverage provided by this contract that extends the limit of coverage that is specified in a certificate or a policy is provided on the same terms and conditions of the coverage that is extended, except in respect of a prohibition, exclusion or different limit of coverage that is permitted by the Insurance (Vehicle) Act.

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 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 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 “motor 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
- (a) whether a vehicle and its equipment or any part of it will be repaired or replaced, and
 - (b) 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),
- (a) the insurer is entitled, at its option, to the salvage in the vehicle or its equipment or both, and
 - (b) 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,
- (a) the insurer has conduct of the sale or other disposition of the salvage in the vehicle or its equipment or both, and
 - (b) 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

- (a) on request of the insurer, submit to examination under oath,
- (b) 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
- (c) 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
- (a) 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

- (b) 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

- (a) by the insured named on this contract at any time on request, and
- (b) by the insurer not less than
 - (i) 5 days after the insurer gives written notice of termination to the insured in person, or
 - (ii) 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.

Division 9 – Not Applicable

Division 10 Garage Policy Terms and Conditions

The following terms and conditions form part of the Garage Vehicle Certificate (APV4) (the Garage Policy) if a premium is shown for them or they are otherwise indicated as applicable on the Garage Policy.

GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS (APV4C)

1. Additional insureds

The Corporation agrees to indemnify in the same manner and to the same extent as if named herein as the named insured:

- (a) Under sections 1 and 3 of the Garage Policy, in respect of a vehicle not owned by or leased to the named insured or such additional insured:
 - (i) every partner, officer or employee of the named insured engaged in the business described in the Garage Policy, while personally driving in such business and with the consent of the named insured, and
 - (ii) every partner or officer of the named insured while personally driving, provided that such use is occasional and the vehicle is in the care, custody or control of the named insured,
- (b) Under sections 1 and 2 of the Garage Policy, in respect of vehicles owned by or leased to the named insured:
 - (i) any person or organization legally responsible for the use thereof, if such use is with the permission of the named insured,
- (c) Under section 1 of the Garage Policy only, in respect of a vehicle not owned by or leased to the named insured or such additional insured:
 - (i) the named insured or a partner or officer of the named insured and a member of his or her household while personally driving any motor vehicle.

2. Consent of insured

No person shall be entitled to indemnity or payment under the Garage Policy who operates any vehicle without the consent of the named insured, or who is an occupant of any vehicle which is being used without the consent of the owner thereof, or without the consent, express or implied, of the named insured.

3. Personnel of other Garages excluded

No person who is engaged in the business of selling, repairing, maintaining, storing, or parking vehicles in the course of such business or while so engaged or while an occupant of such vehicle, unless the person is the named insured or an additional insured, shall be entitled to indemnity or payment under the Garage Policy for any loss, damage, injury or death sustained while engaged in the use or operation of or while working upon the vehicle.

4. Audit

The Corporation, through any authorized representative and at any reasonable times during the term of or any renewal of the Garage Policy, may inspect the insured's records relating to the number, type and value of owned vehicles and/or customers' vehicles and the number of persons employed by the insured.

5. Vehicle defined

In the Garage Policy, the following words have the following meanings:

"owned vehicle" means

- (a) any vehicle, including its equipment, as defined for a declared value vehicle in section 5.11 of the Garage Booklet, owned by or leased to the named insured in the business stated on the Garage Policy,
- (b) any camper or canopy owned by or leased to the named insured in the business as stated on the Garage Policy,
- (c) any vehicle sold in the business as stated on the Garage Policy by the named insured but not delivered by the named insured to the purchaser thereof, and
- (d) notwithstanding sections 43(1) and 44(2) of the Act and section 2 of the Regulation and sections 3.2 and 5.2 of the Garage Booklet, any vehicle that is excluded from the Act and Regulation or the Garage Policy, when owned by or leased by the named insured in the business as stated on the Garage Policy, but does not include any other vehicle the ownership, use or operation of which is excluded by the general provisions, definitions and exclusions pursuant to the Garage Policy.

“customer’s vehicle” means

- (a) a vehicle owned or a camper owned by another
 - (i) while being towed by, carried on, or pushed by a vehicle driven by the named insured or the named insured’s partner, officer or employee,
 - (ii) while in the care, custody or control of the insured in the business as stated on the Garage Policy for testing, repair, maintenance, servicing, storage, or parking, or
 - (iii) while held for sale on consignment,but shall not include a vehicle
 - (A) owned or leased by the named insured or the named insured’s partner or officer, or
 - (B) sold by the named insured but not delivered by the named insured to the purchaser thereof,
- (b) notwithstanding sections 43(1) and 44(2) of the Act and section 2 of the Regulation and sections 3.2 and 5.2 of the Garage Booklet, a customer’s vehicle includes a vehicle owned by another that is excluded from the Act and Regulation or the Garage Policy where subsection (a) of this definition applies to the vehicle,
- (c) for the purpose only of the Garage Policy, a vehicle that is not owned by the insured shall be deemed to be a customer’s vehicle where the insured may be or is vicariously liable to another, (excepting only the owner of the non-owned vehicle) because of the use or operation of such a non-owned vehicle by an agent or servant of the insured in the course of their employment by or agency for the insured.

6.

Vehicles Excluded

The Corporation shall not be liable under the Garage Policy (unless otherwise permitted by endorsement) for loss, damage, injury or death arising from the ownership, use or operation of

- (a) any vehicle owned by the named insured in connection with or used for the purposes of any business conducted by, or any employment or occupation for wages or profit engaged in by, the insured other than as stated on the Garage Policy, or
- (b) any vehicle owned by the named insured which is designed or modified for racing purposes, or

- (c) any vehicle furnished by the named insured to any person except,
 - (i) to a partner, officer or employee active in the business stated in the Garage Policy for regular or frequent use by such person or
 - (ii) for the irregular and infrequent use of a vehicle by a person or organization with the permission and consent of the named insured,
- (d) any vehicle owned or leased by the named insured
 - (i) designed for the bulk transportation of petroleum products or other materials, or
 - (ii) designed or used for the transportation of more than two other vehicles, or
 - (iii) designed for towing and rendering assistance to another vehicle,but this exclusion (d) does not apply to a vehicle described therein when not being used for the purpose of bulk transportation, transportation of more than two other vehicles, or towing or rendering assistance to another vehicle,
- (e) a manufactured home as defined in the Motor Vehicle Act,
- (f) any vehicle owned or leased by the named insured, with a GVW of 10,000 kg or more that is used for the delivery or carriage of goods of the named insured.

7. Excluded Uses

The Corporation shall not be liable under the Garage Policy while the vehicle

- (a) is rented or leased to another provided that the use by an employee of the employee’s vehicle on the business of the employer and for which the employee is paid shall not be deemed the renting or leasing of the vehicle to another,
- (b) is used to carry radioactive materials for research, education, development or industrial purposes or for purposes incidental thereto,
- (c) is used as a taxi, bus or for carrying passengers for compensation or hire, or
- (d) is used
 - (i) for the carrying of goods or materials for compensation,
 - (ii) for public road construction, repair or maintenance, or
 - (iii) as farm or contractor’s equipment on behalf of others for compensation.

8. Temporary Substitute Vehicle

The use of a courtesy car, owned by or leased to the named insured and insured

under the Garage Policy, by any customer of the insured shall not be considered the renting or leasing of the vehicle to another person within the meaning of Provision 7(a).

9. **Other Insurance**

The Garage Policy is subject to the other insurance provisions of the Regulation and the Garage Booklet.

10. **Material Change in Risk**

The named insured shall promptly notify the Corporation in writing of any change in the risk material to the Garage Policy and within the named insured's knowledge.

11. **Additional Agreements**

It is a condition of the insurance provided by sections 1 and 3 of the Garage Policy that every person insured by the policy shall pay or reimburse the Corporation, upon demand, any amount which the Corporation has paid by reason of the provisions of any statute relating to vehicle insurance and which the Corporation would not otherwise be liable to pay under the policy.

12. **Reporting**

- (a) On or before the inception date of the Garage Policy, the named insured shall determine the total number of licence plates to be purchased and to which the Garage Policy is to be applicable and shall declare the number of licence plates so determined on the Garage Policy, which number of licence plates shall be used by the Corporation to determine the premium to be paid for coverage under section 1 subsection A and section 2 subsection A of the Garage Policy. Thereafter during the term of the Garage Policy or any renewal, the named insured shall report immediately to the Corporation whenever the actual total number of licence plates to which the Garage Policy is applicable varies from the number of licence plates so declared on the Garage Policy or last previously reported in accordance with this provision, or as shown as an amended declared total number of licence plates on any renewal form of the Garage Policy.
- (b) On or before the inception date of the Garage Policy, the named insured shall determine the number of persons employed by the named insured and to which the Garage Policy is to be applicable and shall declare the number of such employees so determined on the Garage Policy, which number of employees shall be used to determine the premium to be paid for coverage under section 1 subsection B and section 3 subsection A of the Garage Policy. Thereafter during the term of the Garage Policy or any renewal, the named

insured shall report to the Corporation whenever the actual total number of employees to which the Garage Policy is applicable varies from the number of employees declared on the Garage Policy or last previously reported in accordance with this provision, or as shown as an amended declared total number of employees on any renewal form of the Garage Policy, such report to be provided within 30 days of the occurrence of such variation.

**SECTION 1 – OWNED OR CUSTOMERS' VEHICLES –
THIRD PARTY LIABILITY, ACCIDENT BENEFITS,
FIRST PARTY COVERAGE AND UNDERINSURED
MOTORIST PROTECTION RIDER (APV4D)
INSURING AGREEMENTS**

In consideration of the premium paid for the subsection(s) for which a premium is specified under section 1 of the Garage Policy and no other, the Corporation agrees:

1. Under subsection 1A of the Garage Policy to indemnify the insured in accordance with Part 6 of the Regulation and Division 4 of the Garage Booklet, if applicable, for third party liability imposed by law upon the insured, for loss or damage arising from the use or operation of an owned vehicle and to pay benefits in accordance with Regulation Part 7, Accident Benefits and to compensate the insured in accordance with Regulation Part 10, First Party Coverage, provided that the Corporation shall not be liable under this subsection
 - (a) for liability imposed upon any person insured by the Garage Policy for bodily injury to or the death of any partner, officer or employee of such person while engaged in the business of the named insured,
 - (b) for any amount in excess of the limits stated in subsection 1A of the Garage Policy,
 - (c) for direct loss or damage to an owned vehicle or a customer's vehicle, or
 - (d) for any liability arising out of indirect loss or damage to the customer's vehicle (other than loss of use, subject to a limit of \$100 per day and a total limit of \$2000 per vehicle per occurrence), including but not limited to, accelerated depreciation or consequential loss.
2. Under subsection 1B of the Garage Policy to indemnify the insured in accordance with Regulation Part 6 and Division 4 of the Garage Booklet, if applicable, for third party liability imposed by law upon the insured for loss or damage occurring while the customer's vehicle is in the care, custody, or control of the insured and

arising from the use or operation of a customer's vehicle and to pay benefits in accordance with Regulation Part 7 Accident Benefits and to compensate the insured in accordance with Regulation Part 10, First Party Coverage, provided that the Corporation shall not be liable under this subsection

- (a) for any liability imposed upon any person insured by the Garage Policy for bodily injury to or the death of any partner, officer or employee of such person while engaged in the business of the named insured,
 - (b) for any amount in excess of the limits stated in subsection 1B of the Garage Policy,
 - (c) for direct loss or damage to an owned vehicle or a customer's vehicle, or
 - (d) for any liability arising out of indirect loss or damage to the customer's vehicle (other than loss of use, subject to a limit of \$100 per day and a total limit of \$2000 per vehicle per occurrence), including but not limited to, accelerated depreciation or consequential loss.
3. Under subsections 1A and 1B of the Garage Policy, section 96 (b)(i) and section 96 (b)(iii) of the Regulation do not apply in respect of an accident which results in a claim for benefits being made by an occupant of a vehicle insured under the Garage Policy.

SECTION 3 – LEGAL LIABILITY FOR OWN DAMAGE COVERAGE TO CUSTOMERS' VEHICLES RIDER (APV4F) INSURING AGREEMENTS

In consideration of the premium paid for the subsection(s) for which a premium is specified under section 3 of the Garage Policy and no other, the Corporation agrees:

1. Under subsection 3A of the Garage Policy to indemnify the insured, in accordance with Division 5 of the Garage Booklet (Own Damage Coverage) for liability for direct loss or damage to customers' vehicles caused by collision while in the care, custody or control of the insured, provided that the Corporation shall not be liable under this subsection
 - (a) for any amount in excess of the actual cash value of the customer's vehicle at the time of damage, not exceeding the actual cost to the insured,
 - (b) for any loss arising out of indirect loss or damage (other than loss of use, subject to a limit of \$100 per day and a total limit of \$2000 per vehicle per occurrence) including but not limited to accelerated depreciation or consequential loss, or

- (c) for any direct or indirect loss or damage caused to a customer's vehicle deemed so to be by clause (c) of the definition of "customer's vehicle" in the APV4C – General Provisions, Definitions and Exclusions.

2. Under subsection 3B of the Garage Policy to indemnify the insured, in accordance with Division 5 of the Garage Booklet (Own Damage Coverage) for liability for direct loss or damage other than loss or damage to which collision coverage applies, to a customer's vehicle while in the care, custody or control of the insured, provided that the Corporation shall not be liable under this subsection
 - (a) for any amount in excess of the limits stated in subsection 3B of the Garage Policy,
 - (b) for any amount in excess of the actual cash value of the customer's vehicle at the time of loss or damage, not exceeding the actual cost to the insured,
 - (c) for any transmission and/or other mechanical damage resulting while a vehicle is being towed,
 - (d) for any loss arising out of indirect loss or damage (other than loss of use, subject to a limit of \$100 per day and a total limit of \$2000 per vehicle per occurrence) including but not limited to accelerated depreciation or consequential loss, or
 - (e) for any direct or indirect loss or damage caused to a customer's vehicle deemed so to be by clause (c) of the definition of "customer's vehicle" in the APV4C – General Provisions, Definitions and Exclusions.
3. Under subsection 3C of the Garage Policy to indemnify the insured, in accordance with Division 5 of the Garage Booklet (Own Damage Coverage) for liability for direct loss or damage to a customer's vehicle caused by specified perils while in the care, custody or control of the insured, provided that the Corporation shall not be liable under this subsection
 - (a) for any amount in excess of the limit stated in subsection 3C of the Garage Policy,
 - (b) for any amount in excess of the actual cash value of the customer's vehicle at the time of loss or damage, not exceeding the actual cost to the insured,
 - (c) for any loss arising out of indirect loss or damage (other than loss of use, subject to a limit of \$100 per day and a total limit of \$2000 per vehicle per occurrence) including but not limited to accelerated depreciation or consequential loss,
 - (d) for loss or damage from theft from any open lot or unroofed space owned, rented or controlled by the insured except for theft of an entire vehicle, or

- (e) for any direct or indirect loss or damage caused to a customer's vehicle deemed so to be by clause (c) of the definition of "customer's vehicle" in the APV4C – General Provisions, Definitions and Exclusions.
4. The following Insuring Agreement applies to subsection 3A, 3B or 3C of the Garage Policy. The policy affords own damage coverage to a customer's vehicle (except a customer's vehicle that is carried in or upon another vehicle owned or hired by the insured that is either (i) designed as a vehicle carrier or (ii) carrying more than two vehicles) for direct loss or damage caused by a vehicle described in paragraph 6 of the APV4C – General Provisions, Definitions and Exclusions, but this clause does not apply to any customers' vehicles deemed so to be by clause (c) of the definition of "customer's vehicle" in the APV4C – General Provisions, Definitions and Exclusions.

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under subsection 3A or 3B of the Garage Policy shall give rise to a separate claim except that in the case of subsection 3A, the Corporation's liability shall be limited to the amount of loss or damage in excess of the deductible amount as stated therein, and in the case of subsection 3B, if the total of the deductible amounts applicable in respect of each vehicle lost or damaged arising from one occurrence totals to an amount that is more than the deductible specified in subsection 3B of the Garage Policy as applicable to each occurrence causing loss or damage to more than one vehicle, the Corporation shall be liable for the amount by which the total loss or damage arising from one occurrence exceeds the deductible amount specified as applicable to loss or damage to more than one vehicle caused by a single occurrence. Furthermore no deductible amount shall be applicable to any loss or damage caused by a peril specified in the definition of specified perils coverage in Division 2 of the Garage Booklet.

AGREEMENT OF INSURED

The insured agrees that, in the event of loss or damage for which indemnity is provided by this Rider, the insured, if so required by the Corporation, will replace the property or make the necessary repairs at the actual cost to the insured.

SCHOOL GARAGE ENDORSEMENT (APV4AB)

The APV4C – General Provisions, Definitions and Exclusions is amended as follows: Paragraph 1 entitled "Additional Insureds" is deemed to include an instructor who teaches, or a student who is enrolled in an automotive vocational training course.

IMPLEMENT DEALER ENDORSEMENT (APV4AC)

The indemnity provided under Rider APV4D shall apply only with respect to an "implement of husbandry" as defined in the Insurance (Vehicle) Regulation, or a "farm tractor", as defined in the Motor Vehicle Act, while the implement or tractor is being operated on a highway.

BROKER DRIVER ENDORSEMENT (APV4AE)

The word "employee" as used in item 1(a)(i) of the APV4C – General Provisions, Definitions and Exclusions shall be deemed to include a "broker driver" who operates exclusively under written contract with the named insured.

EMPLOYEE AVERAGING ENDORSEMENT (APV4AH)

Provision 12(b) of the APV4C – General Provisions, Definitions and Exclusions is deleted.

CONSEQUENTIAL LOSS ENDORSEMENT (CUSTOMERS' VEHICLES) (APV4P)

The Corporation agrees, following an occurrence for which indemnity is provided under section 3, subsections (A), (B), or (C) of the Garage Policy to indemnify the insured for liability imposed by law upon the insured for

- (a) costs incurred by the owner of the vehicle involved in the occurrence (hereinafter called the customer) to obtain a replacement vehicle; and/or
- (b) a loss of earnings suffered by the customer as a direct result of the loss of use of the customer's vehicle for not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the vehicle commencing with the date of such occurrence and not limited by the date of expiration of the Garage Policy, but not exceeding the actual loss sustained by the customer resulting from such loss of use to the vehicle,

provided that

- (c) the Corporation shall not be liable hereunder for an amount in excess of \$10,000 per occurrence,
- (d) indemnity paid pursuant to clause (b) shall be subject to a deductible amount of \$300 per occurrence,

- (e) earnings are defined as net profit plus payroll expenses, taxes, interest, rents and all other operating expenses earned by the business less all charges and expenses which do not necessarily continue during the interruption of business,
- (f) the Corporation shall also indemnify the insured in respect of such expenses as are necessarily incurred for the purpose of reducing any loss covered under this endorsement (except expense incurred to extinguish a fire), but such indemnity is limited to the amount by which the loss is in fact reduced,
- (g) the insured shall take all reasonable measures to reduce any loss covered under this endorsement including making use of merchandise or other property (including vehicles) owned by the insured, and failure of the insured to do so may result in a reduction of the amount payable hereunder,
- (h) replacement vehicle is defined as an equivalent vehicle to the customer's vehicle involved in the occurrence of loss,
- (i) the Corporation shall not be liable for
 - (i) loss due to fines or damage for any breach of contract for late or non completion of orders, or for any penalties of whatever nature,
 - (ii) loss due to the suspension, lapse or cancellation of any lease or licence, contract or order, which may affect the customer's earnings after the period following any loss during which indemnity is payable, or
 - (iii) any other consequential loss or remote loss,
- (j) in determining loss hereunder, due consideration shall be given (1) to the earnings of the business before the date of damage or destruction of the customers' vehicle, and to the probable earnings thereafter, had no loss occurred (2) to the continuation of operating expenses, including payroll expense to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss, and (3) to the reduction of loss which could be made possible by the customer by resuming safe operation of the vehicle or by making use of other vehicles,
- (k) if, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such policy the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this endorsement that the claim hereunder shall be adjusted with the insured on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing by the Corporation, and
 - (l) at its discretion, the Corporation shall indemnify the insured for the lesser of
 - (i) the cost of obtaining a replacement vehicle, and
 - (ii) loss of earnings as provided under this endorsement.