family INSURANCE

AUTOCOVER POLICY WORDING

Contents

WELCOME

You have chosen AutoCover Insurance Protection, presented by Family Insurance Solutions Inc., a managing agent of Definity Insurance Company. If you have any questions, we encourage you to contact your insurance broker.

INSURING AGREEMENT

This AutoCover Insurance Protection policy is a legal contract of Insurance between you and Definity Insurance Company consisting of:

i) The policy wording contained in this booklet, and
ii) The AutoCover Insurance Protection Application and Declaration, which summarizes the insurance coverage and limits of insurance we have agreed to provide and the period for which they are provided.

In return for the payment of the premium, we will provide the insurance described in this policy. All limits of insurance, premiums and other amounts referenced in this policy are in Canadian currency. Examples have been included to illustrate these sometimes complex coverages, but if there is any conflict between the examples and the policy wording the policy wording will prevail.

INSURED'S RESPONSIBILITIES

By accepting this contract of insurance, the Insured agrees to:

a. notify the Insurer within 10 days after:
    i. any change to the address as set out in the Declaration; and/or
    ii. if a substitute for the Insured vehicle is acquired,
b. inform the Insurer before:
    i. changing the use shown in the Declaration; and/or
    ii. changing the place in which the Insured vehicle is kept when it is not being driven.
c. notify the Insurer promptly in writing of any significant change of which the insured is aware with respect to their status as a driver, owner, or lessee of the Insured vehicle,
d. inform us of any sale or transfer of the insured's interest in the Insured vehicle except through change of title by succession, death or proceedings under the Bankruptcy and Insolvency Act (Canada),
e. have a valid Owner's Certificate respecting the Insured vehicle and at all times maintain in full force and effect the mandatory insurance available from ICBC under that Owner's Certificate,
f. ON RENEWAL, notify the Insurer if the principal driver of the insured vehicle has changed.

If the Insured fails to meet any of these responsibilities, claims made under this policy may be denied.

LIBERALIZATION CLAUSE

If the Insurer broadens this insurance coverage while the policy is already in effect, the Insured will receive the benefit of the broadened coverage, at no additional charge. The coverage provided by this clause will only apply to those claims which occur after the date of adoption or publication of such broadened coverage.

ACT AND REGULATION DEFINITIONS

Unless otherwise defined in this policy, words and phrases have the meaning 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 are applicable even if in the context of the Act or Regulation they apply only to the universal compulsory vehicle insurance.

SECTION A – EXCESS THIRD PARTY LIABILITY

The people insured under this section are the same as those insured under the lnsured's Insurance Corporation of British Columbia (referred to as ICBC) compulsory Basic Insurance Third Party Liability 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 that are extended, except in respect of a prohibition, exclusion or different limit of coverage that is permitted by the Insurance (Vehicle)Act.

The Insurer agrees to extend the limit of Third Party Liability provided to the Insured by ICBC under Part 1 of the Insurance (Vehicle) Act and Regulation made under that Part to the amount shown in the Declaration. Coverage provided by ICBC is the first loss motor vehicle liability insurance, and coverage under this section provided by the Insurer is limited to the amount indicated in the Declaration reduced by the Third Party Liability limit that is provided by ICBC under the basic coverage under Part 1 of the Insurance (Vehicle)Act and Regulation made under that Part.

This policy is written subject to the Insurance (Vehicle) Act and Regulation. Section 80 "Other insurance" of the Act that requires that if an insured places optional excess Third Party Liability insurance coverage none of which is excess to the others, with more than one insurer, the insured is only covered up to the highest limit with any one insurer. Section A-Excess Third Party Liability applies only as excess to valid enforceable ICBC Third Party Liability insurance under an Owner's Certificate respecting the Automobile, and is subject to all the limits and conditions contained in this policy.

SPECIAL PROVISIONS – SECTION A

1. The Excess Insurer's ultimate net loss liability shall not exceed the limit stated in the Declaration in excess of the limit(s) of the first loss policy, and the underlying excess policy(ies) thereof or such amount as the first loss insurer and the underlying excess insurer shall be liable to pay under statute, whichever is the greater.

The phrase "ultimate net loss" used in this policy means the amount payable in settlement of the liability of the Insured after making deductions for all recoveries and for other valid and collectible insurance excepting the first loss and underlying policy(ies) and shall exclude all expenses and costs.

2. The word "costs" used in this policy, means interest accruing after entry of judgment upon that part of the judgment which is within the limit of the Excess Insurer's liability, investigation, adjustment and legal expenses, excluding, however, all office expenses of the Insured, all expenses of salaried employees of the Insured and general retainer fees for counsel normally paid by the Insured.

3. The Excess Insurer agrees to pay costs incurred by or on behalf of the Insured where these costs are not covered by the first loss or underlying excess policy(ies), on the following basis:

    a. should any claim or claims become adjustable prior to the commencement of trial for not more than the first loss and underlying excess policy limit(s) then no costs shall be payable by the Excess Insurer;
    b. should, however, the amount for which said claim or claims may be so adjustable exceed the first loss and underlying excess policy(ies) limit(s), then the Excess Insurer shall contribute to the costs incurred on behalf of the Insured in the ratio that the Excess Insurer's proportion of the ultimate net loss as finally adjusted bears to the whole amount of such ultimate net loss;
    c. in the event that the Insured or the Insurer under the first loss policy elects not to appeal a judgment in excess of the limit(s) of the first loss and underlying excess policy (ies), the Excess Insurer may elect to conduct such appeal and shall be liable for the taxable costs and interest incidental thereto; but in no event shall the total liability of the Excess Insurer exceed the limit of liability stated in the application, plus the expense of such appeal.

4. All recoveries or payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Excess Insurer, provided always that nothing in this policy shall be construed to mean that losses under this policy are not payable until the Insured's ultimate net loss has finally been ascertained.

5. Liability to pay under this policy shall not attach unless and until the first loss and underlying excess Insurer(s) shall have admitted liability for the first loss and underlying excess limit(s) or unless and until the Insurer has by final judgment been adjudged to pay an amount which exceeds such first loss and underlying excess limit(s) and then only after the first loss and underlying excess insurer(s) has/have paid or has/have been held liable to pay the full amount of the first loss and underlying excess limit(s).

6. Neither the inclusion of more than one entity in the name of the Insured, nor the addition of any additional Insured under this policy, shall in any way operate to increase the limit of liability set forth in the Declaration.

7. Notwithstanding Prescribed Condition 4 or any similar condition in a first loss vehicle policy issued to the Insured by ICBC, the Insured is only required to give the Excess Insurer notice of any accident if the claim or claims possibly arising there from appear likely to exceed the limit of the first loss policy, in which case immediate written notice thereof must be given to the Excess Insurer or its agent indicated in the Declaration.

8. Nothing in Prescribed Condition 10 shall in any way affect the operation of the provision in the Insurance (Vehicle) Act (Part 4 – Optional Insurance Contracts Coverage) of optional insurance contracts Section 61(5)) providing that where the limit of coverage specified in a certificate or a policy that is extended by an optional insurance contract is terminated, the coverage in the optional coverage excess contract is automatically terminated. In the event that this policy is automatically terminated, the Excess Insurer agrees to refund the excess of premium actually paid over the proportionate premium for the expired term (subject to any minimum retained premium specified) as soon as practicable, but if there is any proportionate premium unpaid the Insured agrees to pay this.

SECTION C – OWN DAMAGE (LOSS OF OR DAMAGE TO INSURED VEHICLE)

THIS POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE.

In consideration of the payment of the premium specified and of the statements contained in the Declaration and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated and subject always to the condition that the Insurer shall be liable only under the subsections of Insuring Agreement Section C and described below and for which a premium or included is specified in the Declaration and no other.

The Insurer agrees to indemnify the Insured against direct and accidental loss of or damage to the vehicle, including its equipment as limited in the Equipment Table.

Subsection 2 - COLLISION OR UPSET – loss or damage caused by collision with another object or by upset. The words "another object' shall be deemed to include:

a. a vehicle to which the vehicle is attached, and
b. the surface of the ground including any object in or on the ground.

Subsection 3 - COMPREHENSIVE – loss or damage caused by any peril other than by collision with another object or by upset, loss or damage caused by missiles, falling or flying objects, fire, lightning, theft or attempted theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the vehicle is being transported on land or water or impact with a domestic or wild animal, either living or dead.

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

EQUIPMENT TABLE

For the purposes of Section C – Loss of or Damage to Insured Vehicle including its equipment: "Equipment" means:

Standard Vehicles and other Vehicle Rate Group Vehicles	Recreational Vehicles and other Declared Value Vehicles
1) Manufacturer's Equipment excluding a Camper.	1) All equipment permanently attached to the Recreational Vehicle, excluding a Camper.
2) N/A	2) Fixtures and Fittings.
3) a. Seat belts, air bags and any other equipment that is permanently attached to the Standard Vehicle and is necessary for its safe operation. b. Child safety harnesses and restraints, but only while in the Insured vehicle.	3) a. Seat belts, air bags and any other equipment that is permanently attached to the Standard Vehicle and is necessary for its safe operation. b. Child safety harnesses and restraints, but only while in the Insured vehicle.
4) Audio/DVD equipment that is not supplied by or available from the manufacturer of the Standard Vehicle and is permanently attached to a part or a permanently attached part of the Standard Vehicle or installed in it by means of a shuttle mount, including a. an AM radio, FM radio, SW radio or any combination of them; b. a tape player plus one tape; c. a disc player plus one disc; d. a two-way radio including a radio telephone or cellular phone; e. an amplifier; f. an equalizer; g. a booster; h. speakers; i. aerials; j. a DVD player plus one disc; subject to a maximum amount of $1,000 for any one or more items or such higher amount if indicated in respect of Audio Equipment in the Declaration.	4) All audio/DVD equipment that is permanently attached to a permanently attached part of the Recreational Vehicle.
5) Paint finish applied by the manufacturer or another similar paint finish, including pin striping, lettering or sign painting.	5) All paint finish, including custom paint finish.
6) Protective treatment.	6) Protective treatment.
7) One safety kit to a maximum value of $250 consisting of the following 5 items: a. one first aid kit; b. one fire extinguisher; c. one flashlight; d. 6 warning flares and 2 warning cones or flags or reflectors; e. one earthquake kit; subject to a maximum amount of $50 for each item.	7) One safety kit to a maximum value of $250 consisting of the following 5 items: a. one first aid kit; b. one fire extinguisher; c. one flashlight; d. 6 warning flares and 2 warning cones or flags or reflectors; e. one earthquake kit; subject to a maximum amount of $50 for each item.

8) A maximum of 4 snow tires and wheels or summer alternatives for the snow tires and wheels irrespective of the number of drive wheels of the Standard Vehicle limited to tires and wheels of the size specified by the manufacturer of the Standard Vehicle. Thus the 4 snow tires and wheels or summer alternatives for the snow tires and wheels are covered while in storage, provided they are of the size specified by the manufacturer, whether or not they were provided by the manufacturer of the Standard Vehicle.	8) A maximum of 4 snow tires and wheels or summer alternatives for the snow tires and wheels irrespective of the number of drive wheels of the Recreational Vehicle limited to tires and wheels of the size specified by the manufacturer of the Recreational Vehicle. Thus the 4 snow tires and wheels or summer alternatives for the snow tires and wheels are covered while in storage, provided they are of the size specified by the manufacturer, whether or not they were provided by the manufacturer of the Recreational Vehicle.
9) A maximum of 4 snow chains irrespective of the number of drive wheels of the Standard Vehicle.	9) A maximum of 4 snow chains irrespective of the number of drive wheels of the Recreational Vehicle.
10) One-wheel wrench.	10) One-wheel wrench.
11) One spare tire including wheel.	11) One spare tire including wheel.
12) Fuel conversion equipment that is permanently attached to the Standard Vehicle.	12) N/A
13) Sufficient seat covers, including comfort seats, for the number of seats.	13) Sufficient seat covers, including comfort seats, for the number of seats.
14) One tire cover.	14) One tire cover.
15) One car jack.	15) One car jack.
16) Sufficient floor mats for the Standard Vehicle.	16) Sufficient floor mats for the Recreational Vehicle
17) One permanently attached carrying rack to a maximum value of $1,000.	17) One permanently attached carrying rack to a maximum value of $1,000.
18) One vehicle security alarm system.	18) One vehicle security alarm system.
19) One detachable hard or soft top.	19) One detachable hard or soft top.
20) Booster cables, snow scraper, snow broom, battery heater, block heater or towing cable, subject to a maximum of $50 for each item.	20) Booster cables, snow scraper, snow broom, battery heater, block heater or towing cable, subject to a maximum of $50 for each item.
21) Any equipment attached to the Standard Vehicle that is required to make it wheelchair accessible.	21) Any equipment attached to the Recreational Vehicle that is required to make it wheelchair accessible.
22) Spare Parts, subject to a maximum of $250 for the total of all of the parts.	22) Parts and Accessories.
23) Any equipment (other than a Camper) that is not included in items 1 to 22 and is permanently attached to the Standard Vehicle, including a custom paint finish, subject to a maximum aggregate amount of $5,000 for any one or more items. The aggregate amount limitation is waived in respect of item 21.	23) Any equipment (other than a Camper) that is not included in items 1 to 22 and is not permanently attached, including a tow bar, which facilitates the operation of the Recreational Vehicle, subject to a maximum amount of $1,000 for any one or more items.
24) N/A	24) a. Contents of the Motorhome that is described in the

	Declaration to the extent of the insured's insurable interest, in an amount not exceeding $2000. for the replacement cost of the contents of the Motorhome as a result of the direct and accidental loss or damage to the contents of the Motorhome caused by one of the perils for which a premium for own damage under Section C of the policy is indicated in the Declaration. b. If the insured has a claim under this Section C of the policy for both loss or damage to the Motorhome and its equipment, and loss or damage to the contents of the Motorhome both of which coverages are as restricted in this section, 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 combined loss or damage to the Motorhome and its equipment and to the contents of the Motorhome.

DEFINITION OF TERMS – SECTION C

"Camper" means a removable structure designed to be mounted on a vehicle and provides facilities for Living Accommodation or camping purposes. "Contents of the Motorhome" means unattached personal property only while contained in a Motorhome insured under this section of the policy but does not include any of the following:

a. motorized vehicles, bicycles or watercraft, or the furnishings, equipment or belongings of any of them,
b. money, bullion, securities, manuscripts, jewellery, precious and semi-precious stones, watches, furs, stamps and philatelic property, collections of coins or paper currency, books of account, evidence of title or debt, bills or other documents,
c. property pertaining to a business, profession or occupation,
d. property illegally acquired, kept, stored or transported,
e. equipment for which coverage is already provided under items 1-23 of the above Equipment table or any other Audio/DVD equipment, television set or video player whether or not they are permanently attached to the Motorhome.

"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 pin striping, lettering or sign painting.

"Declaration" including Policy Declaration, Application and/or Policy Application means the "Automobile Insurance Protection Application and Declaration" provided by the Managing Agent Family Insurance Solutions Inc. identifying the Insurer as Definity Insurance Company.

"Fixtures and Fittings" mean accessories both attached and unattached to the Recreational Vehicle that contribute to its comfort and enjoyment, including furniture, lamps, ornaments, television sets and video players that are attached to the Recreational Vehicle and are designed to be removable for operation in another location, and form part of the Equipment normally contained in the Recreational Vehicle.

"Living Accommodation" means use for human occupation, only on a temporary basis, for recreational purposes only.

"Motorhome" means the Recreational Vehicle, where it is designed or used primarily for accommodation during travel or recreation, and it must have permanently attached sleeping facilities, and at least three of the following five items:

a. cooking facilities,
b. refrigeration or ice box,
c. a self-contained toilet (not capable of easy removal, therefore porta-potty types are excluded),
d. heating or air conditioning independent of the vehicle's motor,
e. a potable water supply system, including a faucet and a sink.

"Manufacturer's Equipment" means equipment that

a. at the time the Standard Vehicle is manufactured is available from the manufacturer as standard or optional equipment, and
b. is attached to the Standard Vehicle by the manufacturer or manufacturer's dealer, and
c. includes replacement tires sufficient for the number of wheels of the Standard Vehicle; but does not include a Camper.

"Parts and Accessories" means replacement mechanical parts carried in the Insured vehicle intended for emergency repairs to the Insured vehicle and subject to the limit indicated in the Declaration.

"Permanently Attached" means equipment permanently affixed to the vehicle by bolts, screws, cements, fluxes or heat and necessitating the use of one or more of: wrenches, screw drivers, drills, pliers, acetylene torches, blow torches, steamers or solvents, for attachment or removal, not including equipment attached only by Velcro-type fasteners, staples, zip fasteners, locks, wing nuts, wires, snap fasteners, suction devices, hooks, magnets, buttons, pins (other than cotter pins) vice grips, clamps or chains.

"Private Passenger" wherever it appears in the Declaration includes the same vehicles as defined in the policy under Definition of Terms "Standard Vehicle" Section C – Loss or Damage to Insured Vehicle.

"Protective Treatment" means the application of a substance designed to protect the Vehicle and includes undercoating and rust proofing.

"Recreational Vehicle" means a Motorhome or Vacation Trailer used for recreational purposes and includes living accommodation on a temporary basis only.

"Replacement Tires" means tires that are of the size specified by the manufacturer of the Vehicle and are available as original equipment of the Vehicle.

"Shuttle Mount" means a device that is permanently attached to a vehicle that is designed to attach sound and communication equipment that can only be operated in the vehicle, but may be removed from the vehicle without tools for storage.

"Spare Parts" means replacement mechanical parts that are carried within the Insured vehicle for emergency repairs to the Insured vehicle and are subject to the limit indicated in the Declaration.

"Vehicle and Standard Vehicle" means a vehicle of the private passenger, station wagon, light truck and van, passenger van, sport utility vehicle (S.U.V.) or pickup truck types that is assigned a model code and rate group under the Canadian Loss Experience Automobile Rating ("CLEAR") system, published by the Vehicle Information Centre of Canada (VICC).

"Windshield Damage" means any fracture, crack or chip caused by falling or flying objects occurring to the glass or other transparent shielding located at the front of the vehicle that protects or shields occupants of the vehicle from the wind.

EXTENSION OF INDEMNITY AFFORDED TO EQUIPMENT WHILE TEMPORARILY REMOVED FROM THE VEHICLE

Coverage is provided under items 1, 2, and 3 of the above "Equipment Table" for loss or damage to equipment that was attached or installed in the Vehicle and is temporarily removed from the Vehicle but this extension of indemnity does not apply to child safety harnesses or restraints.

EXTENSION OF INDEMNITY AFFORDED TO SHUTTLE MOUNTED SOUND AND COMMUNICATION EQUIPMENT

Notwithstanding the Extension of Indemnity afforded to items 1, 2 and 3 of the above "Equipment Table" the Insurer is not liable to indemnify any person for theft of sound and communication equipment that is attached to the Vehicle by means of a Shuttle Mount unless damage is caused to the vehicle or the building from which the equipment is taken after forcible entry into the vehicle or building.

DEDUCTIBLE CLAUSE

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

EXCLUSIONS AND RESTRICTIONS ON INDEMNITY

The Insurer shall not be liable:

1. Under any subsection of Section C for loss or damage:

   a.
      i. to tires unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection;
      ii. consisting of or caused by mechanical fracture or breakdown of any part of the vehicle or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber;

   b. caused by the conversion, embezzlement, theft or secretion by any person in lawful possession of the vehicle under a mortgage, conditional sale, lease or other similar written agreement;
   c. caused by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretense;
   d. caused directly or indirectly by contamination by radioactive material;
   e. to contents of trailers; or
   f. to tapes and equipment for use with a tape player or recorder when such tapes or equipment are detached therefrom.

2. Under Subsections 3 (Comprehensive) and 4 (Specified Perils) only, for loss or damage caused by theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured.

3. Where loss or damage in respect of which a claim is made is caused by or results from an intentional act of violence committed while sane by the Insured or any person operating the vehicle with the Insured's consent.

4. To Radar Detectors or Cellular Telephones other than Cellular Telephones, permanently attached for in Vehicle use only.

5. To Motorhomes that:

   a. are mounted on blocks and are incapable of being operated as a Motorhome; or
   b. have sundecks or other equipment not authorized for use on the highway that are not manufacturer's equipment attached to the Motorhome.

6. This policy is written subject to the Insurance (Vehicle) Act and Regulations. Section 80 “Other insurance” of the Act that requires that if an insured places optional own damage insurance coverage under Section C none of which is excess to the others, with more than one insurer, that insures against the same loss or liability, an insurer is liable only for its rateable proportion of any loss, liability or damage. In this section, "rateable proportion" means:

a. if there are 2 insurers liable and the certificate or policy specifies the same limit, each of the insurers is liable to share equally in any liability, expense, loss or damage,
b. if there are 2 insurers liable and the certificate or policy specifies different limits, the insurers are liable to share equally up to the limit of the smaller limit, or
c. if there are more than 2 insurers liable, paragraphs (a) and (b) apply with the necessary changes and so far as applicable.

See also General Provisions, Definitions, and Exclusions and Prescribed Conditions of this Policy.

WINDSHIELD EXCLUSION

If coverage provided by this contract limits the coverage for glass under Windshield Exclusion and is specified in the Declaration, it is hereby understood and agreed that the Insurer shall not be liable under Subsection 3 (Comprehensive) of Section C (Own Damage) for loss or damage to the windshield (front window) glass.

ADDITIONAL AGREEMENTS OF INSURER

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

a. to pay general average, salvage and fire department charges and customs duties of Canada or of the United States of America for which the Insured is legally liable;
b. to waive subrogation against every person who, with the Insured's consent, has care, custody or control of the vehicle, provided always that this waiver shall not apply to any person:
    i) having such care, custody or control in the course of the business of selling, repairing, maintaining, servicing, storing or parking vehicles, or
    ii) who has
        A. committed a breach of any condition of this policy, or
        B. driven or operated the vehicle in the circumstances referred to in Prescribed Condition Prohibited Use of this policy;
c. to indemnify the Insured and any other person who personally drives a temporary substitute vehicle as defined in the General Provisions Definitions and Exclusions – Section C of this policy against the liability imposed by law or assumed by the Insured or such other person under any contract or agreement for direct and accidental physical loss or damage to such vehicle and arising from the care, custody and control thereof, provided always that:
    i. such indemnity is subject to the deductible clause and exclusions of each such subsection;
    ii. if the owner of such vehicle has or places insurance against any peril insured by this section, the indemnity provided herein shall be limited to the sum by which the deductible amount, if any, of such other insurance exceeds the deductible amount stated in the applicable subsection of this policy;
    iii. where indemnity is provided under this paragraph c., the Insurer shall:
        A. upon receipt of notice of loss or damage caused to a temporary substitute vehicle, serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;

B. defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to a temporary substitute vehicle; and

C. pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limit(s) of the Insurer's liability.

Examples:

Your car is in for service at a garage and they provide you with a Temporary Substitute Vehicle (sometimes called a "Courtesy car"). You signed an agreement with the garage that you will be responsible for any damage to it (you would probably have had to assume this anyway under common law, as it was in your care, custody and control). You have collision coverage under your policy with us with $300 deductible. The same terms and exclusions will apply to the courtesy car as apply under this policy to your own car. If you have a collision driving the courtesy car we will investigate the loss or damage, negotiate with the claimant, and settle any resulting claim as we may deem expedient.

If the Temporary Substitute Vehicle supplied to you is insured by the owner for collision loss or damage, we will only pay the difference between the deductible on that insurance and the deductible on your policy with us if the deductible with us is smaller. So, if the Courtesy car supplied is insured by the owner for collision with a $1,000 deductible we will pay the $700 difference between it and your deductible with us of $300

2. **LOSS OF USE BY THEFT**

Where indemnity is provided under Section C and following theft of the entire insured vehicle, the Insurer will reimburse the Insured up to $40 a day to a maximum of $1,200 for the reasonable expenses incurred for the rental of a substitute vehicle of similar model, class or size as the insured vehicle, and costs for the use of taxis or public transportation.

Reimbursement is limited to expenses incurred during the period commencing seventy-two hours after the theft has been reported to the Insurer and Police.

This coverage ends:

a. on the date the vehicle is recovered and returned to the insured in safe and acceptable condition, or
b. on the date the vehicle is repaired or replaced, or
c. on the date the Insurer makes or tenders settlement of the loss or damage caused by such theft, whichever is the earliest.

GENERAL CONDITIONS, DEFINITIONS AND EXCLUSIONS – SECTION C

1. **Territory**

This policy applies only while the vehicle is being operated, used, stored or parked within:

a. Canada,
b. the continental United States of America (USA), Alaska and Hawaii, or
c. upon a vessel plying between ports of those countries.

2. **Garage personnel excluded**

No person who is engaged in the business of selling, repairing, maintaining, storing, servicing or parking vehicles shall be entitled to indemnity or payment under this policy for any loss or damage sustained while engaged in the use or operation of or while working upon the vehicle in the course of that business, unless the person is the owner of such vehicle or his employee or partner.

3. **Vehicle defined**

In this Section C except where stated to the contrary the words "the vehicle" means:

a. a vehicle or Motorhome as defined in the motor vehicle act and described in the Declaration;
b. a recreational or vacation trailer as described in the Declaration;
c. **a newly acquired vehicle** - a vehicle, ownership of which is acquired by the Insured and, within ten days following the date of its delivery to him or her, notified to the Insurer in respect of which the Insured has no other valid insurance (other than Third Party Liability insurance provided to the owner of the vehicle by ICBC), if either it replaces a vehicle described in the Declaration or the Insurer insures (in respect of the section or subsection of the insuring agreements under which claim is made) all vehicles owned by the Insured at such delivery date and in respect of which the Insured pays any additional premium required: provided however, that insurance hereunder shall not apply if the Insured is engaged in the business of selling vehicles;
d. **a temporary substitute vehicle** - a vehicle not owned by the Insured, nor by any person or persons residing in the same dwelling premises as the Insured, while temporarily used as the substitute for the Insured vehicle which is not in use by any person insured by this policy, because of its breakdown, repair, servicing, loss, destruction or sale.

4. **Two or more vehicles**

A motor vehicle and trailer attached thereto shall be deemed to be separate vehicles with respect to the limit(s) of liability, including any deductible provisions, under Section C.

5. **War risks excluded**

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

6. **Excluded uses**

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

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

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

7. **"Insured" means**

a. the insured named in the Declaration;
b. where the person named as an owner in the Declaration is deceased, the personal representative of that person;
c. the lessee of the vehicle in the Declaration.

8. **In case of disagreement**

In the event of disagreement as to the nature and extent of repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions must be resolved by arbitration in accordance with sections 176 and 177 of the Insurance (Vehicle) Regulation. Disputes must be submitted for arbitration within 2 years from the occurrence of loss or damage.

9. **Leased vehicles**

The Insurer may settle claims arising from the operation of a vehicle leased under a written agreement of more than one month directly with the owner and lessee of the vehicle as their interests appear.

10. **Right of lienholder to submit statutory declaration**

a. Where an owner fails to:
   i. notify the insurer of loss or damage to a vehicle or file a written statement of 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 Insurer 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 Insurer may, at its sole discretion, subject to Subsections (c) and (d), pay insurance money solely to the lienholder.
c. The Insurer shall not pay any amount under Subsection (b) to a lienholder who fails to comply with all the terms and conditions of this section.
d. If the Insurer elects to pay insurance money solely to the lienholder under Section b), the amount shall not be greater than that to which the insured is entitled and shall be limited to the amount of:
   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 and exceeds the applicable deductible amount.

11. **Payment to Lienholder or Repairer**

a. Where insurance money is payable in respect of Total Loss, Constructive Total Loss or Substantial Damage Loss of a vehicle covered under this section, the Insurer 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 section, the Insurer 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.

12. **"Home" means**

a. where the Insured is an individual, the address of the Insured named in the Declaration; or
b. where the Insured named in the Declaration is other than an individual or individuals, the address of the Principal Driver.

PRESCRIBED POLICY CONDITIONS

1. **Application and interpretation**

a. In these conditions:
"Insured" means a person who, whether named or not, is insured by this optional insurance contract.
"Territory" means the territory established and defined by the Insurer.
"Vehicle Rate Class" means a vehicle rate class established by the Insurer.

b. 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.

2. **Changes during the term of contract**

a. In this section, "the territory in which the vehicle is primarily located when not in use" means the place where the vehicle is kept when not being driven.

b. The Insured named on this contract must,
    i. within 10 days after:
        A. the named Insured's address is changed from the address set out in this contract; or
        B. the named Insured acquires a substitute vehicle for the vehicle described in this contract; or
    ii. before:
        A. 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
        B. 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.

c. 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.

3. **Prohibited use**

a. The Insurer is not liable to an insured who breaches this condition or a sub condition of this condition.
b. An Insured must not operate a vehicle for which coverage is provided under this contract:
    i. if the Insured is not authorized and qualified by law to operate the vehicle;
    ii. for an illicit or prohibited trade or transportation;
    iii. to escape or avoid arrest or other similar police action; or
    iv. in a race or speed test.
c. An Insured does not contravene Sub condition b) 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.
d. An Insured must not operate a vehicle for which coverage is provided under this contract contrary to the statements contained in the application for the vehicle, including but not limited to:
    i. the use declared in the application for insurance for the vehicle;
    ii. a statement relating to the time during which, and the territories in which, the vehicle may be operated; or
    iii. a statement relating to the kind of goods, or number of passengers, that may be carried in or on the vehicle.
e. Use of a vehicle does not contravene Sub condition d) 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.
f. 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.
g. 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 sub condition of this condition or would breach this condition or sub condition if the person were an Insured.
h. 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.
i. It is a breach of this condition if:
    i. 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;
    ii. an Insured is convicted of:
        A. a motor vehicle related Criminal Code offence;
        B. an offence under Section 95 or 102 of the Motor Vehicle Act; or
        C. an offence under a provision of the law or another jurisdiction in Canada or the United States of America that is similar to a provision referred to in subparagraph (A) or (B); or
    iii. an Insured is convicted of an offence under Section 253(b) of the Criminal Code, Section 224 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

iv. 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.

j) In Sub condition i): **“convicted”** includes being:

i. 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
ii. 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 Sub condition(s) i): ii) (C), iii) or iv).

“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.

4. **Requirements if loss or damage to persons or property**

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.

5. **Requirements if loss of or damage to vehicle**

a. 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:
   i. on the occurrence of loss or damage:
      A. promptly notify the Insurer of the loss or damage; and
      B. file a written statement with the Insurer setting out all available information on the manner in which the loss or damage occurred; and
   ii. file a proof of loss within 90 days after the occurrence of the loss or damage.
b. The Insurer may require that a proof of loss be sworn by the person filing it.
c. If loss of or damage to a vehicle that is covered by this contract occurs, the owner or operator of the vehicle:
   i. must at the expense of the Insurer, protect the vehicle as far as reasonably possible from further loss or damage; and

ii. 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.

d. The Insurer is not liable under this contract:

   i. for loss or damage cause by the failure of an owner or operator to comply with Sub condition c. i.; or
   ii. to an owner if the owner or an operator, to the prejudice of the Insurer, contravenes Sub condition c. ii.:

e. The liability of the Insurer for payment of indemnity for loss or damage to the vehicle is limited to the amount by which:
   i. the cost of repairing or replacing the vehicle and its equipment or any part of it with material of a similar kind or quality;
   ii. the declared value of the vehicle and its equipment, if appropriate; or
   iii. the actual cash value of the vehicle and its equipment; whichever is the least and exceeds the deductible amount set out in this contract.
f. 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.
g. The Insurer may determine:
   i. whether a vehicle and its equipment or any part of it will be repaired or replaced; and
   ii. whether to pay a garage service operator in respect of a repair or replacement instead of making a payment to the Insured.
h. 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.
i. 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 Sub condition e):
   i. the Insurer is entitled, at its option, to the salvage in the vehicle or its equipment or both; and
   ii. 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.
j. If an Insured is a co-insurer under this contract of any loss or damage to a vehicle or its equipment or both:
   i. the Insurer has conduct of the sale or other disposition of the salvage in the vehicle or its equipment or both; and
   ii. 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.
k. 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.

6. **Statutory declaration**

   a. 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 willful act or neglect, procurement, means or connivance of the Insured.

b. An Insured who has filed a statutory declaration must:
    i. on request of the Insurer, submit to examination under oath;
    ii. 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
    iii. permit copies of the documents to be made to the Insurer.

7. **Inspection of vehicle**

The Insured must permit the Insurer at all reasonable times to inspect the vehicle and its equipment.

8. **Time and manner of insurance money**

a. 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 arbitration is conducted under Section 177 of the Insurance (Vehicle) Regulation, within 15 days after the award is rendered.
b. 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.
c. 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.

9. **Who may give notice and proof of claim**

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:

i. 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 are satisfactorily accounted for; or
ii. if the Insured refused to do so, by a person to whom any part of the insurance money is payable.

10. **Termination**

a. The contract may be terminated:
    i. by the insurer, giving the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered; or
    ii. by the insured at any time on request.
b. If the contract is terminated by the insurer:
    i. The insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract; and

ii. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

c. If the contract is terminated by the insured, we must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract. The 15-day period referred to in subparagraph (a) (i) of this condition starts to run on the day the registered letter or notification of it is delivered to the insureds last known postal address.

11. **Notice**

a. 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.
b. 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.
c. In this condition and condition 10, "registered" means registered in or outside Canada.

In Witness whereof, the Insurer has executed and attested these presents, but the policy shall not be valid until countersigned by a duly Authorized Representative of the Insurer.

POLICY DEFINITIONS

The following terms have the following meanings wherever they appear in the policy or any endorsement attached to and forming part of the policy:

"Actual Cash Value" means the average market price a knowledgeable purchaser would have paid immediately before the loss or damage.

"Principal Driver" means the driver, who must be a resident of British Columbia, for whose regular and principal use the vehicle described in the Declaration is provided by the Insured named in the Declaration,

a. where: the Insured named in the Declaration is other than a person or persons; and
b. the vehicle so provided is a taxable benefit to the Principal Driver under the Income Tax Act (Canada).

"AutoPlus" if indicated in the Declaration is an endorsement package entitling the Insured to benefits as described in the endorsement, unless the vehicle is in storage and subject to the Insured Vehicle In Storage Endorsement.

"Business Use" means use of a vehicle in the business or profession of the Insured and includes use of a vehicle by an employee who is paid by his employer for that use, but does not include commercial use of the vehicle.

"Commercial Use" means use of a vehicle for the delivery or carriage of goods.

"Constructive Total Loss" means that condition of the Insured vehicle that exists when it might be feasible to repair it, but the cost of such repair would exceed its Net Actual Cash Value in the condition it was immediately prior to the occurrence of the loss or damage for which indemnity is afforded by this endorsement.

"Insured vehicle" means the vehicle described in the Declaration.

"Net Actual Cash Value" means the amount determined by subtracting the value or estimated value received from the sale of the salvage of the wrecked Insured vehicle, from the Actual Cash Value of the Insured vehicle as it existed immediately prior to the loss that results in it being declared a Total Loss, or Constructive Total Loss.

“Short Rate Cancellation” The cancellation by the insured of a policy before its natural expiration; the insurer pays a return premium which is less than the proportionate part that remains unearned.

“Spouse” means a person who is married to another person or who is living in a marriage-like relationship with that other person for at least 2 years immediately preceding the date on which the right to claim benefits or insurance moneys arose, and for the purposes of this definition, the marriage like relationship may be between persons of the same gender.

“Standard Vehicle” means a vehicle of the private passenger, station wagon, light truck and van, passenger van, sport utility vehicle (S.U.V.) or pickup truck types that is assigned a model code and rate group under the Canadian Loss Experience Automobile Rating (“CLEAR”) system, published by the Vehicle Information Centre of Canada (VICC).

“Substantial Damage Loss” means direct and accidental loss or damage where the condition of the Insured vehicle after it had been damaged is such that it might be feasible to repair it but the cost of repairs exceed 50% of its actual cash value as the condition of the vehicle was immediately prior to the occurrence of the loss or damage for which indemnity is afforded by this endorsement, but the vehicle is not so severely damaged as to render it a Total Loss or Constructive Total Loss.

“Total Loss” means the condition of the Insured vehicle, which exists when the Insured vehicle is stolen and not recovered within 30 days from the date the loss is reported to the Insurer, or is so severely or extensively damaged that it is not feasible to repair it. “Windshield” pertains to the front window glass of the standard vehicle or recreational vehicle.

“Windshield” pertains to the front window glass of the standard vehicle or recreational vehicle.

ENDORSEMENTS

Except as otherwise provided in an endorsement that is set out below and for which a premium has been paid, or is included in the AutoPlus package, or is otherwise indicated in the Declaration as “included”, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Each endorsement set out below, in respect of which the Declaration indicates that a premium has been paid or is indicated as included, is attached to and forms part of the policy and shall be effective from the local time and date of the policy or renewal thereof, or, if added to the policy during the policy period, from the local time and effective date of the endorsement specifying the variation of coverage that is provided under the policy.

ACCIDENT FORGIVENESS

The Insurer agrees in exchange for the premium charged for this endorsement, to renew the policy without any direct rating impact from the first at-fault accident. In the event of multiple at-fault accidents during the policy term, accident forgiveness will only be applied to the first at-fault accident that occurs; all other at-fault accidents occurring shall impact the renewal rating, accordingly.

ACCIDENT FORGIVENESS APPLIED

The Accident Forgiveness endorsement will be amended to Accident Forgiveness Applied on renewal, following the first at-fault accident and will remain as Accident Forgiveness Applied through 4 (four), additional, subsequent renewal terms. If the insured removes the endorsement at any time within that duration, the policy will be immediately rerated for the impact of the at-fault accident for which the Accident Forgiveness endorsement was providing protection. On the renewal term following five (5) years since the last at-fault accident, Accident Forgiveness Applied will revert back to the Accident Forgiveness endorsement and will once again be available to provide protection for the next at-fault accident.

AUDIO EQUIPMENT LIMIT ENDORSEMENT (NOT APPLICABLE TO RECREATIONAL VEHICLES)

In the event of loss or damage to audio equipment for which indemnity is provided under Section C of the insuring agreements of this policy, the Insurer shall in no event be liable for more than the limit specified in the Declaration, unless the equipment is manufacturer's equipment. This insurance does not cover audio equipment which is not permanently affixed to the Insured vehicle.

INSURED VEHICLE IN STORAGE ENDORSEMENT

Subject to the terms and conditions of the policy and the special terms and conditions of this endorsement the Insurer agrees to:

1. Indemnify the Insured in respect of the Insured vehicle, only while it is an Insured vehicle in Storage:
    a. for loss or damage arising from a coverage under Section C indicated in the Declaration, and subject to any amount deductible indicated thereon;
    b. only if indicated in the Declaration, for Third Party Liability on the same terms and conditions as set out in Part 6 of the Insurance (Vehicle) Regulation, which terms, conditions, general provisions, definitions and exclusions are by reference incorporated herein.

SPECIAL TERMS, CONDITIONS AND LIMITATIONS OF THE INSURED VEHICLE IN STORAGE ENDORSEMENT

1. The Insured vehicle in Storage will not be driven, operated; or parked on any public highway, public road or public property during the term of this endorsement (other than storage on private property as permitted in the definition "Insured vehicle in Storage").

2. For the purpose of Third Party Liability provided by this endorsement:
    a. the words "reduced by and in excess of the ICBC primary limit of $200,000" are deleted, from the Declaration and;
    b. the limit indicated under Section A Third Party Liability in the Declaration is the limit provided by the policy.

3. The Benefits contained in the AutoPlus package are deleted during the term of this endorsement.

"Insured vehicle in Storage" means the Insured vehicle which is registered in British Columbia but not currently licensed or used, and is placed on the Insured's, or other private property within British Columbia with the consent of the owner of such other private property for the purpose of protection and preservation for future use, and if desired or required, future licensing, but does not include while on consignment, in the care, custody and control of a garage service operator or automobile dealer.

DESTINATION PROTECTION ENDORSEMENT

This insurance covers the reimbursement of reasonable emergency taxi or public transportation expenses incurred by the driver and passengers to continue their journey or to return home when:

a. there is a valid claim under the Emergency Road Service Endorsement but only where the Declaration indicates that the limit is stated as $250 per occurrence; or
b. within 12 hours of the Insured vehicle becoming unavailable due to:
    i. a loss for which a valid claim is made under Section C, Subsection 2 – Collision or Upset, of the policy; or
    ii. theft of the entire Insured vehicle for which a valid claim is made under Section C, Subsection 3 – Comprehensive, or Subsection 4 –Specified Perils, of the policy; or
    iii. malicious mischief rendering the Insured vehicle non-drivable, for which a valid claim is made under Section C, Subsection 3 – Comprehensive, of the policy.

Subject to the following:

a. continuation of the trip is restricted to the next intended destination, or home;
b. only one continuation direct trip per occurrence;
c. the limit per occurrence is $100 (gratuities are not included);
d. expense(s) incurred for rental or substitute vehicles are not included.

EMERGENCY ROAD SERVICE EXPENSES ENDORSEMENT

In the event of sudden disablement of the Insured vehicle, the Insurer, upon presentation of receipts, will reimburse the Insured for towing, or such emergency expenses as are necessary to return the Insured vehicle to roadworthy condition, subject to:

a. a maximum of $50 per occurrence and $100 per annum;
b. in the event that the re-imbursement under this endorsement is granted under the AutoPlus package or if the limit in the Declaration is otherwise indicated as $250 per occurrence, there shall be no limit per annum.
c. if towing is required, the Insured vehicle may be towed to:
    I. home or to any other destination of the insured's choice that are within 30 kilometers of the pickup location; or
    II. to the nearest available facility capable of expeditiously performing the specific repairs necessary to return the Insured vehicle to roadworthy condition regardless of distance;
d. this endorsement does not cover the cost of parts, supplies, gasoline, oil, batteries, tires, or labour (other than at the place of the sudden disablement, necessary to return the Insured vehicle to roadworthy condition, and subject to the limits stated in the Declaration;
e. this endorsement shall only apply in excess of any other indemnity available;
f. in the event that the reimbursement limit for this endorsement, as stated in the Declaration, is $250 per occurrence, this endorsement shall also apply to any other vehicle operated by the Principal Operator named in the Declaration, including any vehicle in tow.

FAMILY WORLDWIDE TRANSPORTATION ENDORSEMENT

The Insurer shall, if an Insured person requires immediate and ongoing medical life support intervention in an intensive care unit of a hospital or registered care facility as a result of, and within 24 hours of a motor vehicle accident, reimburse expenses reasonably incurred by such an Insured's immediate family members to be brought to the Insured from anywhere in the world.

If AutoPlus is indicated in the Declaration and if Collision and Comprehensive are indicated as coverages for which a premium has been paid in the Declaration, this endorsement is deemed included.

"Insured" means a resident of British Columbia who is:

a. Named in the Declaration attached to and forming part of this policy; or
b. The Principal Driver of the Insured vehicle; or
c. A member of the household of a person described in paragraph a. or b. but only if related to such person described in paragraph a. or b.

"Immediate Family Member" includes a spouse, parent, natural or adopted child, stepchild, legal guardian, stepparent, grandparent, grandchildren, in-law, brother, sister, stepbrother, stepsister, aunt, uncle, niece or nephew of an Insured as limited in the definition of "Insured".

Reimbursement is limited to such expenses consisting of:

a. Travel costs to bring family members to the hospital or registered care facility and return fare home, totaling not more than $7,500; and
b. Living expenses for immediate family members, including lodging, meals, telephone calls or other transportation, totaling not more than $1,000.

The Insurer is not liable for re-imbursement of expenses referred to in Subsections 3 a. and 3 b. if the transportation to attend the intensive care unit of a hospital or registered care facility at which an Insured is receiving ongoing medical life support intervention does not occur within 7 days following the date of the motor vehicle accident.

LOCK PROTECTION ENDORSEMENT

This insurance covers the replacement of the keys(s) or transmitter(s) belonging to the Insured vehicle, which have been stolen, including the cost of re-keying or recoding the locks and ignition if required, subject to the following:

a. Comprehensive or Specified Perils coverage is in effect;
b. limited to 2 keys or 2 transmitters;
c. limited to $1,000 for each occurrence; and
d. no deductible applies.

LOSS OF USE AND TRAVEL PROTECTION ENDORSEMENT

PART 1 – LOSS OF USE OF INSURED VEHICLE

1. Following loss or damage insured under Section C, which renders the insured vehicle inoperable, the Insurer agrees to reimburse the Insured for reasonable expenses incurred:

    a. to rent a substitute vehicle of similar model, class or size as the insured vehicle; and/or
    b. for the use of taxis or public transportation.

2. The indemnity provided for Loss of Use by Theft under Section C Additional Agreement #2 is replaced by this Loss of Use endorsement.

3. No indemnity is provided unless the insured loss or damage exceeds any applicable deductible, unless the claim is for fire, lightning, or theft of the entire vehicle, in which case no deductible will be applied.

4. Reimbursement:

    a. shall not exceed the total limit indicated in the Declaration for Loss of Use/Travel and the limit per day does not exceed $100 up to the maximum amount indicated in the Declaration, except Motorhomes do not have a daily limit;
    b. is limited to expenses incurred commencing:
        I. at the time the loss or damage occurs if the insured vehicle cannot be operated under its own power, or
        II. at the time the insured vehicle is delivered under its own power to the repair facility; or
        III. in the case of theft of the entire vehicle: at 12:01 A.M. local time the day following the report of theft to the Insurer or the Police.
        IV. At the option of the insured:
            A. if the total limit indicated in the Declaration for Loss of Use/Travel is at least $1,200, and
            B. the insured vehicle is being repaired at a Certified Economical Repair Facility (CERF)
            C. the Loss of Use/Travel limit is amended to Unlimited both in time and cost, for a basic sub-compact courtesy car or rental vehicle.

5. This coverage ends:

   a. on the date the vehicle is recovered and returned to the insured in safe and acceptable condition, or
   b. on the date the vehicle is repaired or replaced, or
   c. on the date the Insurer makes or tenders settlement of the loss or damage, whichever is the earliest.

PART 2 – TRAVEL PROTECTION

1. **ADDITIONAL LIVING EXPENSES**

The Insurer agrees to reimburse the Insured for Additional Living Expenses resulting from loss or damage insured under Section C. Reimbursement:

   a. is applicable only to expenses that would not otherwise have been incurred commencing immediately after the insured loss or damage;
   b. is limited to lodging, meals, telephone calls and transportation expenses;
   c. shall not exceed, per occurrence, the total maximum amount of:
      i. $1,000 if there are 2 or less insureds; or
      ii. $2,000 if there are more than 3 insureds.

2. **TRAVEL EXPENSES FOR INSURED TO RETURN HOME**

The Insurer agrees to reimburse the Insured for:

   a. expense(s) incurred for the Insured to return home using the most direct route following an insured loss or damage; or
   b. if deceased as a result of an insured loss or damage, to convey the deceased Insured to home or funeral home.

   Reimbursement shall not exceed, per occurrence, the total maximum amount of:
      i. $3,000 if there are 2 or less insureds; or
      ii. $6,000 if there are 3 or more Insureds.

3. **EXPENSES INCURRED TO RETURN THE INSURED VEHICLE TO HOME**

The Insurer agrees to reimburse the Insured for expenses incurred to return the vehicle to home in the event of an insured loss or damage.

Reimbursement shall not be paid

   a. for any amount that exceeds $750 for a Standard Vehicle;
   b. for any amount that exceeds $1,000 for a Motorhome.

PERMISSION TO RENT OR LEASE ENDORSEMENT (SPECIFIED LESSEE)

This endorsement shall be effective only with respect to a vehicle leased to the Lessee by the Lessor.

Whereas a vehicle Insurance Policy Application has been completed by the Lessee as applicant, permission is given to the Lessor for the vehicle to be rented or leased to the Lessee. The Insurer agrees to indemnify, in the same manner and to the same extent as if named herein as the Insured, the Lessee and every other person who with the Lessee's consent personally drives the vehicle. The amount of insurance provided by the policy including this endorsement shall not exceed the limit and amounts specified in the Declaration. It is hereby understood and agreed upon that:

1. with respect to part b. of paragraph 3 of the General Provisions, Definitions and Exclusions of Section C of this policy ("Vehicle Defined") the words "ownership of which is acquired by the Insured" shall mean leased by the Lessee from the Lessor;

2. with respect to paragraph 3 of the General Provisions, Definitions and Exclusions of Section C of this policy the word "Insured" shall mean the Lessee specified herein;

3. the warranties made by the applicant in the Declaration are varied to provide that:

    a. where the Lessee as applicant;
        I. gives false particulars of the insured Vehicle(s) to be insured to the prejudice of the Insurer; or
        II. knowingly misrepresents or fails to disclose in the application any fact required to be stated therein, a claim by the Lessee is invalid and the right of the Lessee to recover indemnity is forfeited;
    b. where either the Lessee or the Lessor contravenes a term of the contract, commits a fraud or willfully makes a false statement in respect of a claim under the policy, a claim by such party is invalid and the right to recover indemnity is forfeited.

PERMISSIONTO RENT OR LEASE ENDORSEMENT

Unspecified Lessees-short term leases only, exclusively available for policies that insure Motorhomes. Permission is hereby given for the Motorhome described in the Declaration to be rented or leased, provided that any such renting or leasing to any one person does not exceed thirty (30) consecutive days, nor more than three (3) rentals or leasings in one calendar year to one or more person(s).

RECREATIONAL VEHICLE LIMITS ENDORSEMENT

Where the Insured has declared a value for the Recreational Vehicle, and its value is stated in the Declaration, the Insurer agrees to provide indemnity for loss or damage directly caused by an insured peril for which coverage is indicated in respect of the Recreational Vehicle in the Declaration.

Coverage for loss or damage is limited to the lesser of:

1. the Actual Cash Value; or
2. the limit indicated in the Declaration in respect of the Recreational Vehicle.

RECREATIONAL VEHICLE FIXTURES AND FITTINGS LIMITS ENDORSEMENTS

Where the Insured has declared a value for the Recreational Vehicle described in the Declaration, the Insurer agrees to provide coverage for loss or damage to Fixtures and Fittings, directly caused by a peril for which coverage is indicated in respect of the Recreational Vehicle in the Declaration.

Coverage for loss or damage is limited to the lesser of:

1. the Actual Cash Value of the Fixtures and Fittings; or
2. the limit indicated in the Declaration in respect of the Recreational Vehicle Fixtures and Fittings.

RENTAL VEHICLE ENDORSEMENT

Part 1 – EXCESS THIRD PARTY LEGAL LIABILITY TO OTHERS (EXCEPT OWNER OF NON-OWNED VEHICLE)

The Insurer agrees to indemnify an Insured for Third Party Liability, which is imposed by law upon the insured subject insofar as applicable to the same terms and conditions as set out in Part 6 of the Insurance (Vehicle) Regulation (the regulation) which terms, conditions, general provisions and exclusions are by reference incorporated herein.

Part 1 – Excess Third Party Legal Liability to others applies only as excess to valid enforceable ICBC Third Party Legal Liability under an Owner's Certificate respecting the Automobile, and is subject to all the limits and conditions contained in this policy.

Coverage under this Part is limited to $2,000,000 reduced by and in excess of the limit provided under the ICBC Third Party Liability insurance or, in respect to the total of all claims against all Insureds arising from the same occurrence, for loss or damage arising from the use or operation of a Non-Owned Vehicle as defined in the General Terms, Definitions, Conditions and Limitations hereunder.

SPECIAL TERMS, CONDITIONS AND LIMITATIONS OF PART 1 OF THE RENTAL VEHICLE ENDORSEMENT

For the purposes only of this endorsement, Regulation Section 77, entitled "Other Insurance" is waived and the following provision applies to this section of this endorsement.

1. **"Other Insurance"**

    a. Where indemnity is also provided to the vehicle owner for the ownership, use or operation of the Non-Owned Vehicle, by means of a certificate, policy or plan of insurance providing Third Party Liability indemnity, it shall be considered primary insurance and indemnity provided under this section of this Rental Vehicle Endorsement is available only to the extent that the amount by which liability is limited herein exceeds the amount in which indemnity is provided under such certificate, policy or plan of insurance.
    b. In jurisdictions such as Hawaii where rental vehicle owners are permitted by law to require the customer to sign an agreement that the extension on their own policy (as in Section 65 of the Regulation - granting them coverage when driving a Non-Owned Vehicle) is primary coverage, this shall also be deemed to be primary coverage under this endorsement and thus deducted from the $2,000,000 limit of this endorsement.

    For Your Further Protection if the Excess Third Party Liability under Section A of the policy indicated in the Declaration exceeds the $2,000,000 limit indicated in Part 1 of this endorsement such excess limits are available to an insured subject to the terms and conditions of this endorsement and the policy to the extent that such limit in the Declaration exceeds the $2,000,000 limit indicated in Part 1 of this endorsement

    c. Where indemnity is also provided to the owner for the ownership, use or operation of the Non-Owned Vehicle, by means of a certificate, policy or plan of insurance providing own damage coverage indemnity with more than one insurer that insures against the same loss or damage, an insurer is liable only for its rateable proportion of any loss, liability or damage.

2. No indemnity is afforded to an Insured under this Part for the liability of an Insured in negligence or contract to an owner of a Non-Owned Vehicle for loss or damage to, or loss of use of the Non-Owned Vehicle to which this endorsement attaches.

Part 2 – LEGAL LIABILITY FOR DAMAGE TO NON-OWNED VEHICLE

The Insurer agrees to indemnify an Insured for:

1. direct physical loss or damage to a Non-Owned Vehicle and its equipment resulting in:

    a. the legal liability of an Insured to the Owner; or
    b. liability to the owner as assumed by an Insured under a contract or agreement, in either case while the Non-Owned Vehicle is in the care, custody or control of an Insured with the permission and consent of the Owner of the Non-Owned Vehicle; and

2. a claim for indirect or consequential loss or damage and loss of use of the Non-Owned Vehicle while it is unavailable for use by the Owner arising only from direct physical loss or damage in respect of which the Insurer provides indemnity as described in sub- paragraph 1) (a) of this endorsement, as measured by the reasonable retail rental value of a replacement vehicle:

a. provided always that the amount of indemnification under (a) shall be adjusted with and paid to the owner on behalf of an Insured as though the loss or damage suffered by the owner of the Non-Owned Vehicle was a claim by an Insured for loss or damage to a Vehicle owned by the Insured and insured by the Insurer; and
b. the amount of indemnification under (b) is limited to the lesser of:
   i) the actual or indirect or consequential loss or damage and loss of use of the Non-Owned Vehicle suffered by the Owner in respect of which indemnity is provided under (b); or
   ii) $1,000 (Canadian funds) when the Non-Owned Vehicle was rented in Canada or USA unless it is a Motorhome, or a Standard Vehicle which has equipment attached that makes it wheelchair accessible.

SPECIAL TERMS, CONDITIONS AND LIMITATIONS OF PART 2 OF THE RENTAL VEHICLE ENDORSEMENT

1. Where an Insured is legally or contractually liable to an owner for loss or damage for which a claim is payable this endorsement, the portion of the claim which relates to direct physical loss or damage to the Non-Owned Vehicle shall be for the amount specified in special condition 2, below.

2. The liability of the Insurer for payment of indemnity for direct physical loss or damage under this Part of this endorsement is limited to the amount (exclusive of interest and court costs) by which a collision deductible of $300 and a comprehensive deductible of $300, (unless the claim is for windshield damage caused by missiles or flying objects, in which case the deductible is $200) is exceeded by the least of the following amounts:

a. the Actual Cash Value of the Non-Owned Vehicle and its equipment;
b. the cost of repair of the Non-Owned Vehicle and its equipment; or
c. the amount for which the Insured is legally or contractually liable.

3. In addition to the provisions of Section C of the policy to which this endorsement applies, the Insurer agrees to:

a. reimburse an Insured for reasonable payments for emergency medical aid necessary to a person injured as the result of an accident for which indemnity is payable under this Part, but only if reimbursement is not provided to an Insured under another section of the Declaration and policy to which this endorsement is attached, or by another insurer;
b. pay costs incurred for fire extinguishers, jacks or other necessary emergency equipment or supplies provided to an Insured;
c. pay that proportion of the costs taxed against an Insured in an action respecting a claim under this Part that
   i) the amount offered by the Insurer as its total liability for indemnity to the Insured under this Part in an offer to settle delivered in accordance with the Supreme Court Rules bears to;
   ii) the aggregate of all special and general damages awarded in respect of the occurrence for which the claim is made.
d. if indemnity is provided to the Insured under 2 or more contracts and one or more of them is for Legal Liability for Damage to Non-Owned Vehicle provided by an insurer other than the Insurer under this contract, contribute to the payment of expenses, costs and

reimbursements in accordance with that other insurer's and the Insurer under this contract's respective liabilities for damages awarded against the Insured.

4. Reimbursement under this section is primary coverage and reimbursement under General Provisions, Definitions and Exclusions - Section C 3. Vehicle defined c. A Temporary Substitute Vehicle is excess to the coverage provided by this section.

Part 3 – LOSS OF USE OF NON-OWNED VEHICLE

The Insurer agrees, following an occurrence for which indemnity is payable under this endorsement, to reimburse an Insured for expense incurred by such an Insured for the rental of a substitute Non-Owned Vehicle as a result of loss or damage to the Non Owned Vehicle as defined in the General Terms, Conditions and Limitations hereunder where such loss, or damage renders the Non-Owned Vehicle inoperable. Such expense is limited to a maximum of $25 per day and a total limit of $250.

SPECIAL TERMS, CONDITIONS, AND LIMITATIONS OF THE RENTAL VEHICLE ENDORSEMENT

1. Notwithstanding any other term or condition of the policy, this endorsement is void:

   a. if it is issued to a named Insured who is not a resident of British Columbia;
   b. with respect to any Vehicle that is rented or leased for the exclusive use of a person or persons who are not residents of British Columbia;
   c. If it is issued for any Vehicle where the daily rental cost exceeds $125 (Canadian funds) when rented in Canada or $100 (US funds) when rented in the USA unless the Vehicle is:
      i. a Motorhome; or
      ii. a Standard Vehicle which has equipment attached that makes it wheelchair accessible; or
      iii. a Recreational Vehicle, which has equipment attached that makes it wheelchair accessible.

2. No payment shall be made for adjusting expense, legal expense, court ordered pre or post judgment interest, or court costs except such adjusting expense or legal expense as is incurred in respect of litigation or settlement of that part of any claim for liability to others or loss or damage to the Non-Owned Vehicle that is paid under this endorsement.

3. In this endorsement the following words have the following meanings:

"Equipment" means all equipment (including special paintwork) that is permanently attached to the Vehicle, and includes a two- way radio, a Camper or a canopy when they are described in the rental or lease contract as part of the equipment of the Non-Owned Vehicle to which this endorsement is applicable

"Insured" under this endorsement means:

   a. the person or persons named in the Declaration to which this endorsement applies, and his or her spouse only when residing in the same household, all of whom must be residents of British Columbia; or
   b. where the insured named in the Declaration is other than an individual or individuals, the Principal Driver and his or her spouse, only when residing in the same household, all of whom must be residents of British Columbia; or
   c. a driver other than a person described in paragraphs (a) or (b), who is shown as a permitted driver on a contract made by a person described in paragraphs (a) or (b) for the rental or lease of a Non-Owned Vehicle.

"Non-Owned Vehicle" means a licensed Vehicle and its equipment, licensed trailer and its equipment, or a Camper; that is not owned by or licensed, either wholly or in part in the name of an Insured or a person residing in the same household as an Insured, and used only for pleasure purposes, or while transacting or conducting the business of the named Insured that originates within British Columbia.

The Non-Owned Vehicle must:

a. be rented from an established rental service under a written rental agreement for a period not exceeding 30 days by:
    i. the named Insured if an individual, or his or her spouse, only when residing in the same household; or
    ii. if the named Insured is other than an individual or individuals, the Principal Driver or his or her spouse, only when residing in the same household; or
b. be provided by a garage, pending completion of repairs to the Insured's vehicle pursuant to Section C – Loss of or Damage to Insured Vehicle of the policy as a replacement vehicle commonly known as a "courtesy car" to:
    i. the named Insured if an individual, or his or her spouse, only when residing in the same household; or
    ii. if the named Insured is other than an individual or individuals, the Principal Driver or his or her spouse, only when residing in the same household;

provided always that when the insured elects to obtain indemnity under this endorsement as a Temporary Substitute Vehicle the full terms and conditions of Section C Loss or Damage to Insured Vehicle and the policy apply in addition to the terms, conditions, limitations and restrictions of the premium rate class applicable to the policy.

"Owner" means a person having a lawful right to enforce a claim against an Insured under this endorsement for loss or damage to a Non-Owned Vehicle whether or not that owner is the registered owner, lessee, lessor or renter of the Non-Owned Vehicle.

"Vehicle" means a motor vehicle or trailer used for pleasure purposes, or a standard vehicle used for pleasure purposes or commuting to/and from work or school or business purposes, but excluding any commercial purposes.

4. No indemnity is afforded under this endorsement in respect of:

EXCLUDED VEHICLES

a. Snowmobiles or snow vehicles;
b. Motorcycles or scooters;
c. Industrial machines;
d. Golf carts;
e. Road building machines;
f. All-Terrain vehicles;
g. Commercial vehicles with Gross Vehicle Weights in excess of 5500 kilograms;
h. Vehicles, which are required by the laws of the jurisdiction in which they are licensed, to be Insured by the Owner for Third Party Legal Liability, but are not so insured; or
i. Personal transporters (also known as Segways)

EXCLUDED USES

a. the delivery or carriage of goods for compensation;
b. the carriage of passengers in a Vehicle with a seating capacity of sixteen or more;
c. the carriage of passengers for compensation or hire in any Vehicle;
d. if the Non-Owned Vehicle is driven or operated under circumstances where the Insured has breached any term or condition of the contract or agreement with the Owner of the Non-Owned Vehicle pursuant to its rental or lease; or
e. the use or operation by an Insured for purposes relating to the business operations of the Owner for the benefit of the Owner.

5. Reimbursement under this endorsement is excess to Loss of Use coverage under the Loss of Use and Travel Protection Endorsement, if indicated in the Declaration.

PREMIER REPLACEMENT COST ENDORSEMENT

This endorsement applies only to vehicles in Model Year 1 or 2.

If coverage is shown as included in the Declaration page, the Insurer agrees to indemnify the Insured for direct physical loss or damage caused to the Insured vehicle by one of the perils for which the Insured has paid a premium, based on the special terms of this endorsement.

1. A vehicle's repairability shall be determined based on the criteria of Substantial Damage Loss. A Substantial Damage Loss means direct and accidental loss or damage to the Insured vehicle where the cost of repairs would exceed 50% of its actual cash value immediately prior to the loss for which indemnity is afforded by this endorsement.

2. In the event of repairable loss or damage to the Insured vehicle, the Insurer will pay the cost of repairing the Insured vehicle with new original manufactured parts and will waive any depreciation charge except on prior unrepaired damage. If a new part is no longer being manufactured, the liability of the Insurer will be limited to the latest list price of the original equipment manufacturer part.

3. In the event of a Substantial Damage Loss, or an unrecovered theft in excess of 30 days, subject to a deduction for any prior unrepaired damage, the Insurer will pay:

a. the price of a new vehicle of the same make and model and with similar but not necessarily identical equipment and options;
b. where the manufacturer no longer produces the same make and model of vehicle as the Insured vehicle, the lesser of the following:
    i. the actual net purchase price of the Insured vehicle (excluding any warranties, insurances, administration fees, licensing or fuel);
    ii. the manufacturer's suggested retail price for the Insured vehicle at the time it was manufactured.

The Insurer will add to i) or ii) an additional percentage of 2.5% for a vehicle in Model Year 1 and 5% for a vehicle in Model Year 2.

4. This endorsement does not provide any coverage:

a. for any prior unrepaired damage to the Insured vehicle;
b. for accelerated depreciation of the Insured vehicle;
c. for loss of use of the Insured vehicle;

d. for loss relating to any third party or manufacturer warranties or other vehicle warranty insurance.

Definitions:

"Model Year 1" means: the Model Year number which applies to the Insured vehicle, where the calendar year of the current term of the policy as stated in the Declaration and this endorsement, are equal to, or one year prior to the Model Year assigned to the Insured vehicle by its manufacturer.

"Model Year 2" means the Model Year number which applies to the Insured vehicle, where the calendar year of the current term of the policy as stated in the Declaration and this endorsement, is the first calendar year subsequent to the Model Year assigned to the Insured vehicle by its manufacturer.

STANDARD REPLACEMENT COST ENDORSEMENT

This endorsement applies only to vehicles in Model Year 1, 2 and 3.

If coverage is shown as included in the Declaration page, the Insurer agrees to indemnify the Insured for direct physical loss or damage caused to the Insured vehicle by one of the perils for which the Insured has paid a premium, based on the special terms of this endorsement.

1. In the event of partial loss or damage to the Insured vehicle, the Insurer will pay the cost of repairing the Insured vehicle, with new original manufactured parts and will waive any depreciation charge except on prior unrepaired damage. If a new part is no longer being manufactured, the liability of the insurer will be limited to the latest list price of the original equipment manufacturer part.

2. In the event of a Total Loss or Constructive Total Loss, subject to a deduction for any prior unrepaired damage, the Insurer will pay:

    a. the price of a new vehicle of the same make and model and with similar but not necessarily identical equipment and options;
    b. where the manufacturer no longer produces the same make and model of vehicle as the Insured vehicle, the lesser of the following:
        i. the actual net purchase price of the Insured vehicle (excluding any warranties, insurances, administration fees, licensing or fuel);
        ii. the manufacturer's suggested retail price for the Insured vehicle at the time it was manufactured.

The Insurer will add to i. or ii. an additional percentage of 2.5% for a vehicle in Model Year 1, 5% for a vehicle in Model Year 2, and 7.5% for a vehicle in Model Year 3.

3. This endorsement does not provide any coverage:

    a. for any prior unrepaired damage to the Insured vehicle;
    b. for accelerated depreciation of the Insured vehicle;
    c. for loss of use of the Insured vehicle;
    d. for loss relating to any third party or manufacturer warranties or other vehicle warranty insurance;
    e. where the Insured vehicle is subject to a Declared Value and the Insured materially overstates the value of the Insured vehicle.

Definitions:

"Model Year 1" means the Model Year number which applies to the Insured vehicle, where the calendar year of the current term of the policy as stated in the Declaration and this endorsement, are equal to, or one year prior to the Model Year assigned to the Insured vehicle by its manufacturer.

"Model Year 2" means the Model Year number which applies to the Insured vehicle, where the calendar year of the current term of the policy as stated in the Declaration and this endorsement, is the first calendar year subsequent to the Model Year assigned to the Insured vehicle by its manufacturer.

"Model Year 3" means the Model Year number which applies to the Insured vehicle, where the calendar year of the current term of the policy as stated in the Declaration and this endorsement, is the second calendar year subsequent to the Model Year assigned to the Insured vehicle, by its manufacturer.

UNIDENTIFIED VEHICLE DAMAGE COVERAGE (HIT AND RUN)

An Unidentified Vehicle is one whose owner or driver cannot be determined.

If Hit and Run Coverage is indicated as Included in the Declaration, the insurer agrees to indemnify the insured against direct and accidental loss of or damage to the vehicle, including its equipment as limited in the Equipment Table, caused by an Unidentified Vehicle. The insurer's liability shall be limited to the amount of property loss or damage in excess of the Hit and Run Deductible amount, if any, stated in the Declaration.

Death or injury of an insured caused by an Unidentified Vehicle is not covered by this policy.

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