

Form # SPF-6 (Rev. September 15, 2006)
Standard Non-Owned Automobile Policy Endorsement

COVERAGE E. STANDARD NON-OWNED AUTOMOBILE POLICY (S.P.F. 6)
- **Amended with limitation on Territory – Canada only.**

WITH RESPECT TO VEHICLES USED IN THE INSURED'S BUSINESS:

SECTION A – THIRD PART LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTRL OF THE INSURED:

Provided always the Insurer shall not be liable under this policy:

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) for any liability imposed upon any person insured by this policy:
 - (1) by any workman's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement unless it is in written form; or
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in the Liability Schedule and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part relating to the nuclear energy hazard.

*Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

- 1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer, and
- 2) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- 3) to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability ; and
- 4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- 5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in the Liability Schedule; and
- 6) not set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED'

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

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

GENERAL PROVISIONS AND DEFINITIONS

1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in the Liability Schedule, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. Territory

This policy applies only to the use or operation of automobiles within Canada.

3. Hired Automobiles Defined

The term "Hired Automobiles" as used in this policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in the Liability Schedule but shall not include any automobile owned in whole or part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

This policy is valid only when attached to and forming part of one of the Insurer's standard policies providing liability insurance.

4. Automobiles Operated Under Contract Defined

The term "Automobiles Operated under Contract" as used in this policy shall mean automobiles operated in the business of the Insured stated in the Liability Schedule where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. Two or More Automobiles

When two or more automobiles are insured hereunder the terms of this policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects limits of liability under Section A.

6. **Premium Adjustment**

The Advance Premium stated in the Liability Schedule is computed on:

1. The estimated total "cost of hire" for the Policy Period. The words "cost of hire" as used herein mean the entire amount incurred for "Hired Automobiles" and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured and
2. The estimated total "contract cost" for the Policy Period. The words "contract cost" as used herein mean the entire amount paid by the Insured for "Automobile Operated under Contract" to the owners thereof.

The Advanced Premium is subject to adjustment at the end of the Policy Period when the insured shall deliver to Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in application, the Insured shall immediately pay additional premium at the rates applicable thereto; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained Premium stated therein.

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

7. **Statutory Conditions**

The insurance provided under this Coverage is subject to the "Automobile Statutory Conditions" approved by the Superintendent of Insurance for the Province in which this policy is issued and upon request the Company will make available a complete copy of same.

SAMPLE

Form # SEF 94 (Rev. September 15, 2006)

Legal Liability For Damage to Automobiles in the Care, Custody, or Control of the Insured

(for attachment only to a Non-Owned Policy S.P.F. No. 6)

- Amended with limitation on Territory – Canada only.

In consideration of the premium herein stated, it is understood and agreed that the policy to which this endorsement is attached is extended as follows:

SECTION B – LEGAL LIABILITY FOR DAMAGE TO AUTOMOBILES IN THE CARE, CUSTODY OR CONTROL OF THE INSURED

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of any automobile not owned in whole or in part by or licensed in the name of the Insured and resulting from loss or damage thereto, caused by – ALL PERILS.

Deductible Clause

Each occurrence causing loss or damage covered hereunder except loss or damage caused by fire or lightning or theft of the entire automobile 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.

Two or More Automobiles

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of liability, including the deductible provision, if any, under this insuring agreement.

Exclusions

The Insurer shall not be liable

1. for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
2. for loss or damage
 - a. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
 - b. to any automobile while being used without the consent of the owner thereof; or
 - c. caused directly or indirectly by contamination by radioactive material; or
 - d. to contents of trailers or to rugs or robes; or
 - e. to tapes and equipment for use with a tape recorder when detached therefrom; or
 - f. caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
 - g. for any amount in excess of the limit stated and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached.

Additional Agreement

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada for which the Insured is legally liable.

	LIMIT AND DEDUCTIBLE AMOUNT	ADVANCE PREMIUM
1. ALL PERILS	\$25,000 (exclusive of interests and costs) any one Accident \$ 500 (other than fire, lightning or theft of entire automobile)	\$ INCL

Form #SEF 96 (Rev. September 15, 2006)

Contractual Liability

(FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO. 6)

It is agreed that exclusion (c) of Section A Insuring Agreement of the Policy to which this endorsement is attached is amended to read as follows:

(c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

All written contracts including any other written agreement assuming the liability of others except:

- (1) Any contract or agreement assuming the legal liability of the automobile owner.
- (2) Any contract or agreement wherein the Insured has assumed liability for the sole negligence of the indemnities³

SAMPLE

Form # SEF 99 (Rev. September 15, 2006)
Excluding Long Term Leased Vehicle

In consideration of the premium for which this Policy is issued, it is understood and agreed that Item #3 (Hired Automobiles Defined) of General Provisions and Definitions of the Policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobile" as used in this Policy means (a) automobile hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without driver for periods not exceeding thirty (30) days, used under the control of the insured in the business stated in the Declarations but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

SAMPLE

Statutory Conditions

(Applicable to SPF No 6 – Standard Non-Owned Automobile coverage, and SEF No 99 – Excluding Long Term Leased Vehicles Endorsement)

The insurance provided under this Policy is subject to the “Standard Non-Owned Automobile Policy Form,” which contains the “Automobile Statutory Conditions” and the “Excluding Long Term Leased Vehicle Endorsement” approved by the Superintendent of Insurance for the Province in which this Policy is issued and upon request the Company will make available a complete copy of same.

SAMPLE