

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

415

, Approved and Ordered **JUN 13 2006**



Lieutenant Governor
~~Administrator~~

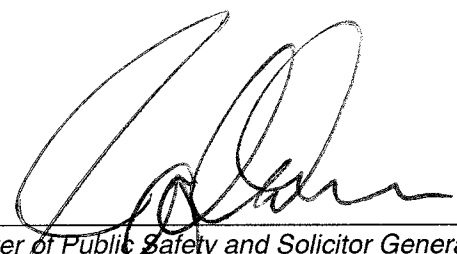
Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator}, by and with the advice and consent of the Executive Council, orders that, effective June 1, 2007,

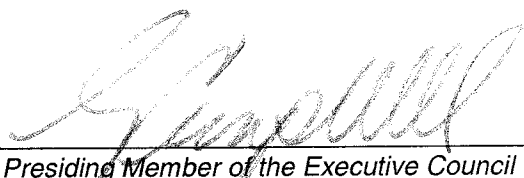
- (a) sections 1 to 42, 44 to 70 and 72 to 84 of the *Insurance (Motor Vehicle) Amendment Act, 2003, S.B.C. 2003, c. 94*, are brought into force,
- (b) section 43 the *Insurance (Motor Vehicle) Amendment Act, 2003, S.B.C. 2003, c. 94*, is brought into force, except as it enacts that part of the Schedule as follows:

Motor Carrier Act R.S.B.C. 1996, c. 315	8 (a) (i)
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- (c) sections 17 to 57 and 59 to 66 of the *Public Safety and Solicitor General Statutes Amendment Act, 2006, S.B.C. 2006, Bill 31*, are brought into force,
- (d) section 22 of the *Motor Vehicle Amendment Act, 2004, S.B.C. 2004, c. 68*, is brought into force, and
- (e) the Revised Regulation (1984) under the *Insurance (Motor Vehicle) Act, B.C. Reg. 447/83*, is amended as set out in the attached Schedule.



Minister of Public Safety and Solicitor General



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Insurance (Motor Vehicle) Act, R.S.B.C. 1996, c. 231, s. 45; Insurance (Motor Vehicle) Amendment Act, 2003, S.B.C. 2003, c. 94, s. 85; Public Safety and Solicitor General Statutes Amendment Act, 2006, S.B.C. 2006, Bill 31, s. 72; Motor Vehicle Amendment Act, 2004, S.B.C. 2004, c.68, s. 24*

Other (specify): OIC 1897/83

May 18, 2006

506/2006/15

SCHEDULE

- 1 *The title of the Revised Regulation (1984) under the Insurance (Motor Vehicle) Act, B.C. Reg. 447/83 is repealed and the following substituted:*

INSURANCE (VEHICLE) REGULATION .

- 2 *Section 1 (1) is amended*

- (a) *by repealing the definition of “Act” and substituting the following:*

“Act” means the *Insurance (Vehicle) Act*; ,

- (b) *by repealing the definitions of “claimant”, “collision coverage”, “comprehensive coverage”, “contract of extension insurance”, “industrial machine”, “insurance”, “insurance money”, “insurer”, “limited passenger vehicle”, “location address”, “motor vehicle”, “premium”, “private passenger motor vehicle”, “short term certificate”, “specified perils coverage”, “trailer”, “universal compulsory automobile insurance” and “vehicle”,*

- (c) *by repealing the definition of “application” and substituting the following:*

“application”, when used in respect of an application to the corporation relating to the plan, means an application in a form established by the corporation and signed by the applicant; ,

- (d) *by repealing the definition of “bus” and substituting the following:*

“bus” means

- (a) a motor vehicle used

- (i) at any time on a highway to carry passengers for compensation from an airport to limited predetermined points or from those points to an airport,
- (ii) at any time on a highway exclusively for the conveyance of a person or group of persons to whom or for whose use the vehicle is chartered at a fixed price for the use of the whole vehicle,
- (iii) to transport, without direct compensation, passengers who have a connection with the business activities of the owner or lessee of the motor vehicle,
- (iv) at any time on a highway over a regular route or between fixed terminating points and on a regular time schedule by, for or on behalf of any person who charges or collects compensation for the transportation of passengers in or on the motor vehicle, and available for use by the public, or
- (v) as a school bus or special activity bus as defined in section 1 of the Motor Vehicle Act Regulations, B.C. Reg. 26/58, or

- (b) a commercial motor vehicle owned or leased by a religious organization and used exclusively for the transportation of passengers for purposes related to the religious activities of the organization; ,

(e) by adding the following definition:

“commission” means the British Columbia Utilities Commission continued under section 2 of the *Utilities Commission Act*; ,

(f) by repealing the definition of “lienholder” and substituting the following:

“lienholder” means a secured party under the *Personal Property Security Act*, a garage keeper under the *Repairers Lien Act* or any other person claiming an interest in a vehicle if the person has registered a financing statement in the personal property registry; ,

(g) by adding the following definitions:

“limousine use” means use of a motor vehicle for rental or hire with driver on an hourly basis but does not include a rental or hiring with driver of less than one hour;

“premium-related debt” means one or more of the following:

- (a) the interest that has accrued on an unpaid premium under section 15.71;
- (b) a service charge imposed by the corporation
 - (i) under section 15.8, or
 - (ii) for a declaration of entitlement for a new certificate;
- (c) a default paid by the corporation in accordance with section 58.1 (3);
- (d) interest, charges or fees imposed by the corporation for financial assistance given by it in respect of all or part of the premium, or licensing or registration fees; ,

(h) in the definition of “spouse” by striking out “insurance moneys” and substituting “insurance money”,

(i) by adding the following definitions:

“special coverage certificate” means a certificate that is issued under section 149;

“territory” means, in relation to the plan, a region of British Columbia established by the corporation under section 34 (1.1) of the Act;

“vehicle rate class” means, in relation to the plan, a class or subclass of vehicles established by the corporation under section 34 (1) of the Act; , ***and***

(j) by repealing the definition of “taxi” and substituting the following:

“taxi” means a vehicle, other than a bus, that is operated at any time on a highway by, for or on behalf of any person who charges or collects compensation for the transportation of passengers in or on the vehicle, and that is available for hire, with driver, by the trip; .

3 *The following section is added:*

Universal compulsory vehicle insurance

1.1 The plan provides insurance coverage as follows:

- (a) coverage under Parts 6, 7 and 10;
- (b) in the case of a garage vehicle certificate or a garage non-owned vehicle certificate, coverage to a garage service operator for loss or damage to customers' vehicles that are in the care, custody or control of the garage service operator.

4 *Section 2 (1) and Columns A and G of Schedule 7 are amended by striking out "special coverage form" wherever it appears and substituting "special coverage certificate".*

5 *Section 2.1 is repealed.*

6 *Section 4 (1) is amended by striking out "premium plus a surcharge in the amount determined in accordance with Table 4.1 of Schedule 1," and substituting "applicable premium and any premium related debt,".*

7 *Section 5 is amended*

- (a) by repealing subsection (1) (b), and*
- (b) by repealing subsection (2).*

8 *Section 6 is amended*

- (a) in subsection (2) by striking out " , together with the premium required for any extension insurance plus a surcharge in the amount determined in accordance with Table 4.1 of Schedule 1," and substituting "and any premium related debt," and*
- (b) in subsection (4) by striking out "prescribed premium plus a surcharge in the amount determined in accordance with Table 4.1 of Schedule 1," and substituting "applicable premium and any premium related debt,".*

9 *Section 9 is repealed and the following substituted:*

Mid-term changes

- 9 (1)** In this section, **"the territory in which the vehicle is primarily located when not in use"** means the territory in which the place where the vehicle is kept when not being driven is located, but does not include a place that is a work location.
- (2)** The insured named on an owner's certificate must,
 - (a)** within 10 days after
 - (i)** the insured's address is changed from the address set out in the certificate, or

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

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

10 Section 10 is amended

- (a) *in subsection (1) by striking out* "An owner's certificate validated by the corporation provides an insured, as defined in sections 63, 78, 147, 148 and 148.1 with coverage" *and substituting* "An owner's certificate validated by the corporation evidences that an insured, as defined in sections 63, 78, 147, 148 and 148.1, has coverage", *and*
- (b) *by repealing subsection (2).*

11 The title to Part 3 is repealed and the following substituted:

PART 3 – PREMIUMS FOR UNIVERSAL COMPULSORY VEHICLE INSURANCE

12 Section 11 is amended

- (a) *in the definition of "base rate premium" by striking out* "or (5)" *and* "and determined in accordance with section 12 or Appendix 1",
- (b) *by repealing the definitions of* "chargeable claim payment", "claim payment record" *and* "substitute vehicle",
- (c) *by adding the following subsection:*
 - (1.1) This Part applies in respect of universal compulsory vehicle insurance. , *and*
- (d) *by repealing subsection (2).*

13 *The heading to Division 2 is repealed and the following substituted:*

Division 2 – Premiums, Interest and Prior Debt

14 *Sections 12 to 15.1 are repealed.*

15 *Section 15.2 is amended*

(a) in subsection (1) by striking out “refund money under section 15 or 15.1” and substituting “refund a premium”, and

(b) in subsection (2) by striking out “provided in Table 8 of Schedule 1.” and substituting “established by the corporation in the rate schedule in effect on the date of the refund.”.

16 *Sections 15.3, 15.5 and 15.6 are repealed.*

17 *Section 15.4 (1) is amended*

(a) by striking out “under section 15 or 15.1”, and

(b) by striking out “special coverage referred to in section 149 or 150” and “special coverage form” wherever they appear and substituting “special coverage certificate”.

18 *Section 15.7 is amended*

(a) by repealing subsection (2) and substituting the following:

(2) If a registrant obtains an owner’s certificate or a special coverage certificate in respect of a vehicle referred to in subsection (1) without having paid all of the unpaid premium owing for, or premium related debt owing in respect of,

(a) the coverage afforded the prior registered owner, lessee or lessor by any certificate, or

(b) a special coverage certificate issued to the prior registered owner, lessee or lessor,

an amount equal to the total of the unpaid premium, plus any premium related debt, is a debt due and owing to the corporation by the registrant. ,

(b) in subsection (3) (e) by striking out “referred to in section 149 or 150”, and

(c) in subsection (3) (c), (c) (i) and (ii) and (e) by adding “certificate” after “coverage” wherever it appears.

19 *Section 15.71 is amended by striking out “premium at the rate set out in Table 8 of Schedule 1.” and substituting “premium and premium related debt.”.*

20 *Section 15.73 is repealed and the following substituted:*

Liability for unpaid amounts

15.73 The following are jointly and severally liable to the corporation to pay for premium or premium related debt owing to the corporation in respect of an owner's certificate or a special coverage certificate:

- (a) each registered owner of a vehicle for which an owner's certificate or special coverage certificate is issued;
- (b) each registered owner and each lessee of a leased vehicle for which an owner's certificate or special coverage certificate is issued, regardless of whether the registered owner or the lessee paid for the insurance.

21 *Section 15.8 (1) is amended by striking out "in an amount set out in Table 8 of Schedule 1".*

22 *The heading to Division 3 is repealed and the following substituted:*

Division 3 – Applications for Certificates

23 *Section 17 is amended*

(a) by adding "or" at the end of paragraph (c) and by repealing paragraph (d), and

(b) by repealing paragraph (e) and substituting the following:

- (e) in respect of a limited speed motorcycle as defined in the Motor Vehicle Act Regulations, B.C. Reg. 26/58, or a motorcycle with an engine displacement of 110 cc or less.

24 *Sections 17 (a) (ii), 57 (2) (b) (i) and 148.3 are amended by striking out "garage automobile policy" wherever it appears and substituting "garage vehicle certificate".*

25 *Sections 17 (a) (iii), 57 (2) (b) (i) and 148.3 are amended by striking out "garage non-owned automobile policy" wherever it appears and substituting "garage non-owned vehicle certificate".*

26 *Sections 19 (1) and (3), 20 to 24 and 26 are repealed.*

27 *Section 25 is amended by striking out "section 19" and substituting "section 75".*

28 *Sections 27, 28, 29, and 38 to 41 are repealed.*

29 *Section 42 is repealed and the following substituted:*

Interpretation

42 In this Part:

“insured” means

- (a) a resident named on a driver’s certificate other than a person driving a vehicle that is exempted under section 43 or 44 of the Act, or
- (b) for the purpose of payment of insurance money, if the person referred to in paragraph (a) is deceased, the personal representative of that person;

“resident” means a person who is ordinarily resident in the Province, and includes

- (a) a student who is temporarily outside the Province for the purpose of studying at a school, college, university, institute or other similar educational, artistic or professional training facility, or
- (b) a member of the Canadian Armed Forces or the Royal Canadian Mounted Police who is regularly stationed in the Province but is temporarily posted outside the Province.

30 *Sections 44, 44.1, 44.2, 45.1 and 46 are repealed.*

31 *Section 45 is amended*

(a) *by repealing subsection (1) and substituting the following:*

- (1) If a premium is payable for a driver’s certificate, the corporation must mail to the person named in the certificate a notice of assessment of premium for the period specified in the notice. , ***and***

(b) *by repealing subsection (4).*

32 *Section 47 (2) is amended by striking out “determined under section 44” and substituting “established by the corporation”.*

33 *Section 49 (1) (a) is repealed and the following substituted:*

- (a) arises out of the use or operation by the insured of a vehicle not owned or leased by the insured or by a member of the insured’s household, and .

34 *Section 49.1 is amended*

(a) *in subsection (1) by striking out “, 21 (5) and 36 (6)” and substituting “and 77 (1)”*,

(b) *by repealing subsection (2), and*

(c) *in subsection (3) by striking out “subsections (1) and (2)” and substituting “subsection (1)”.*

35 *Section 49.2 is amended by striking out “section 21 (5)” and substituting “section 77 (1)”.*

36 *Section 49.3 is amended*

(a) by striking out “provides to” and substituting “evidences that”, and

(b) by adding “has” after “section 45”.

37 *Section 50 is repealed and substituted by the following:*

Other insurance

50 (1) If a driver's certificate and an owner's certificate or vehicle liability policy evidence third party liability insurance coverage for the same occurrence, the third party liability insurance coverage evidenced by the owner's certificate or vehicle liability policy is primary insurance.

(2) Third party liability insurance coverage evidenced by a driver's certificate is available only to the extent of the amount by which the limit of liability specified in the driver's certificate exceeds the total of the amounts specified in an owner's certificate or vehicle liability policy.

38 *Section 51 is repealed.*

39 *The heading to Part 5 is repealed and the following substituted:*

PART 5 – CONDITIONS OF CERTIFICATE

40 *Section 52 is amended by striking out “provided” and substituting “evidenced”.*

41 *Section 53 is amended by striking out “provides” and substituting “evidences”.*

42 *Section 54.1 is repealed.*

43 *Section 55 is amended*

(a) by repealing subsection (1) and substituting the following:

(1) In this section, “**insured**” means an insured as defined in section 42, 63, 65, 78 or 148.1 (1) and includes an insured under a special coverage certificate or a fleet reporting certificate issued under section 168.

(1.1) The corporation is not liable to an insured who breaches a condition of this section or is deemed under subsection (7.1) or (8) to have breached a condition of section 49 and Part 6. ,

(b) by repealing subsection (2) and substituting the following:

- (2) An insured must not operate a vehicle for which coverage is provided under section 49 or Part 6 contrary to the statements contained in the application for insurance for the vehicle, including, but not limited to
- (a) the use declared in the application for insurance for the vehicle,
 - (b) a statement relating to the time during which, and the territories in which, the vehicle may be operated, and
 - (c) a statement relating to the kind of goods or number of passengers that may be carried in or on the vehicle. ,

(c) by repealing subsections (2.1) and (6),

(d) in subsection (3) by striking out “Part 6, 7 or 9” and substituting “Part 6 or 7”,

(e) in subsection (3) (a) by striking out “he” and substituting “the insured”,

(f) in subsection (4) by striking out “section 49, Part 6 or Part 9” and substituting “section 49 or Part 6”,

(g) by repealing subsection (5) and substituting the following:

- (5) An insured named in a certificate or special coverage certificate must not permit the vehicle described in the certificate or special coverage certificate to be operated by a person or for a purpose that breaches a condition of this section or Part 6. ,

(h) by repealing subsection (7) and substituting the following:

- (7) Use of a vehicle does not contravene subsection (2) 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 corporation for the vehicle rate class applicable to the use to which the vehicle is put. ,

(i) in subsections (7.1) and (8) by striking out “section 49, Part 6 and Part 9”, and substituting “section 49 and Part 6”,

(j) in subsection (8) (a), (b), (c) and (d) by striking out “he” wherever it occurs and substituting “the insured”,

(k) in subsection (8) (c) and (d) by striking out “his claim” and substituting “the insured’s claim”,

(l) in subsection 8 (c) and (d) by striking out “his commission” and substituting “the insured’s commission”, and

(m) by repealing subsection (9) and substituting the following:

- (9) In subsection (8):

“**convicted**” includes being

- (a) convicted under the *Young Offenders Act* (Canada) for contravening a provision mentioned in the definition of “**motor vehicle related Criminal**

Code (Canada) offence” or section 253 (b) or 254 (5) of the *Criminal Code*, and

- (b) convicted or the subject of a similar result in a jurisdiction of the United States of America under a law similar to the *Young Offenders Act* (Canada) for contravening a provision of the law of that jurisdiction that is mentioned in subsection (8) (b) (iii), (c) or (d);

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

44 Section 56 (1) is amended

(a) by repealing paragraph (a) and substituting the following:

- (a) under Part 4, 6, 7 or 10 in respect of injury, death, loss or damage arising, directly or indirectly, out of radioactive, toxic, explosive or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada), ,

(b) in paragraph (b) by striking out “, Division 2, 3 or 4 of Part 9,”, and

(c) in paragraph (c) by striking out “, section 109”.

45 Section 56.1 is repealed and the following substituted:

Special coverage certificate

- 56.1** A reference in this Part to Part 6, 7 or 10 includes coverage under Part 6, 7 or 10 that is evidenced by a special coverage certificate or by a fleet reporting certificate issued under section 168.

46 Section 58 is repealed.

47 Section 58.1 (1) and (2) is amended by striking out “a contract of insurance” and substituting “a certificate”.

48 Section 59 (2) is repealed.

49 Section 61 is amended by repealing subsection (2) and substituting the following:

- (2) If the owner or operator of an extraprovincial undertaking obtains duplicate coverage by insuring a vehicle under an owner’s certificate and under vehicle insurance issued by an insurer authorized for that purpose under the *Financial Institutions Act* or under a similar law of another jurisdiction, the coverage provided by that vehicle insurance is primary insurance and the owner’s certificate continues to provide insurance

- (a) in respect of third party liability insurance coverage only to the extent that the amount by which liability is limited under the owner's certificate exceeds the amount by which liability is limited under the vehicle insurance, and
 - (b) in respect of accident benefits coverage only to the extent that the benefits payable under the owner's certificate exceed the benefits payable under the vehicle insurance,
- but any coverage under the owner's certificate except the coverages described in paragraphs (a) and (b) is void.

50 *The heading to Part 6 is repealed and the following substituted:*

PART 6 – THIRD PARTY LIABILITY INSURANCE COVERAGE

51 *Section 63 is amended by repealing the definition of “owner's certificate”.*

52 *Section 65 is amended*

- (a) in subsection (3) by striking out “provides indemnity to an insured” and substituting “evidences third party liability insurance coverage of an insured”, and*
- (b) in subsection (3) by striking out “third party legal liability indemnity” and substituting “third party liability insurance coverage”.*

53 *Section 67 is amended*

- (a) in subsection (1) by striking out “sections 18 (4), 21 (5) and 36 (6) of the Act,” and substituting “sections 18 (4) and 77 (1) of the Act,” and*
- (b) by repealing subsection (2).*

54 *Section 68 is amended*

- (a) in subsection (1) by striking out “section 21 (5) of the Act” and substituting “section 77 (1) of the Act”, and*
- (b) by repealing subsection (2) and substituting the following:*

- (2) For the purpose of the payment of claims under section 20 or section 24 of the Act, claims arising out of injury or death have proportionately the same priority over claims arising from loss or damage to property as is provided in subsection (1).*

55 *Section 69 (e) is repealed and the following substituted:*

- (e) if indemnity is provided to the insured under this Part and by one or more optional insurance contracts provided by an insurer other than the corporation, contribute to the payment of expenses, costs and reimbursements for*

which provision is made under section 171 in accordance with that other insurer's and the corporation's respective liabilities for

- (i) damages awarded against the insured, or
- (ii) the amount payable under a settlement made on behalf of the insured.

56 Section 70 is amended

(a) in subsection (1) (a) by striking out “and”,

(b) by repealing subsection (1) (b), and

(c) in subsection (1.1) by striking out “indemnity provided” and substituting “third party liability insurance coverage evidenced”.

57 Section 72.1 is amended by repealing subsections (3) and (4).

58 Section 74 (b) is amended by adding “subject to an application and directions given by the court under section 79 of the Act,” before “defend in the name of the insured”.

59 Section 74.1 is amended by striking out “Upon assuming the defence of an action for damages” and substituting “Subject to section 79 of the Act, on assuming the defence of an action for damages”.

60 Section 75 is amended by striking out “The corporation may act” and substituting “Subject to section 79 of the Act, the corporation may act”.

61 Section 77 is amended

(a) by repealing subsection (1) and substituting the following:

(1) Subject to section 150.1, if

(a) insurance coverage is provided under this Part or Division 1 of Part 10 and evidenced by an owner's certificate in respect of a vehicle involved in an accident, and

(b) insurance coverage is also provided under this Part or Division 1 of Part 10 and evidenced by a certificate in respect of a vehicle not involved in the accident,

the insurance coverage in respect of the vehicle involved in the accident is primary insurance and subject to subsection (2), the insurance coverage in respect of the vehicle not involved in the accident applies only to the extent that the amount by which liability is limited under that certificate exceeds the amount by which liability is limited under the owner's certificate in respect of the vehicle involved in the accident. ,

(b) in subsection (2) by striking out “Indemnity provided by a certificate issued in respect of a vehicle other than the vehicle involved in the accident is not available”

and substituting “Insurance coverage provided by a certificate issued in respect of a vehicle other than the vehicle involved in an accident does not apply”, *and*

(c) by repealing subsection (3) and substituting the following:

- (3) If an insured is also insured under vehicle insurance providing insurance of the kind referred to in the definition of “owner’s policy” or “non-owner’s policy” in section 57.1 of the Act, or providing similar insurance under similar legislation of another jurisdiction, the liability of the corporation to provide indemnity under this Part must be determined,
 - (a) if a claim is made in respect of an accident that occurs in the Province, as if section 179 applied in respect of coverage provided under this Part, and
 - (b) if a claim is made in respect of an accident that occurs in another jurisdiction, as if the provisions of the legislation of that jurisdiction respecting terms, conditions and priorities of vehicle insurance applied in respect of coverage provided under this Part.

62 Section 78 is amended by repealing the definition of “owner’s certificate”.

63 Section 81 is amended

(a) by striking out the definition of “other disability payments” and substituting the following:

“other disability compensation” means compensation similar to benefits

- (a) paid or payable under vehicle insurance, wherever issued and in effect,
- (b) paid or payable under a policy of accident, sickness or life insurance purchased by a group or individual, or
- (c) paid by an employer; , *and*

(b) in subsections (1) and (2) by striking out “other disability payments” wherever it appears and substituting “other disability compensation”.

64 Section 88 is amended

(a) in subsection (6) by striking out “payable” in both places and substituting “paid or payable”, and

(b) by repealing subsection (7) and substituting the following:

- (7) The maximum amount payable by the corporation under this section for medical, surgical, dental, nursing or physical therapy services or for chiropractic treatment, occupational therapy or speech therapy listed in the payment schedules established by the Medical Services Commission under the *Medicare Protection Act* is the amount listed in the payment schedules for that service, treatment or therapy.

65 Section 97.1 is repealed.

66 *Section 103 is amended*

- (a) by renumbering it as subsection (1),***
- (b) by striking out “, or” at the end of subsection (1) (b) (i) and adding “, or” at the end of subsection (1) (b) (ii),***
- (c) in subsection (1) (b) by adding the following subparagraph:***
 - (iii) the date on which the corporation receives a notice under subsection (2). , ***and***
- (d) by adding the following subsections:***
 - (2) If an insured makes a claim for benefits under this Part and the corporation has not made a payment in accordance with section 101, the insured may issue written notice to the corporation within 2 years of the date of the accident for which the benefits are claimed of the insured’s intention to commence an action in respect of benefits under this Part.
 - (3) A notice referred to in subsection (2) must be
 - (a) in the form established by the corporation, and
 - (b) sent by registered mail addressed to the claim office dealing with the insured’s claim.

67 *Section 104 is amended*

- (a) by repealing subsection (1) and substituting the following:***
 - (1) If benefits
 - (a) are provided under this Part and evidenced by an owner’s certificate in respect of a vehicle involved in an accident, and
 - (b) are also provided under this Part and evidenced by an owner’s certificate in respect of a vehicle not involved in the accident, or by a driver’s certificate, the benefits described in paragraph (a) are primary and the benefits described in paragraph (b) are available only to the extent that the amount of those benefits exceeds the amount of benefits described in paragraph (a). , ***and***
- (b) by repealing subsection (2) and substituting the following:***
 - (2) If an insured is also insured under vehicle insurance that provides compensation similar to benefits provided under this Part or similar benefits or insurance under similar legislation of another jurisdiction, the liability of the corporation for payment of benefits under this Part must be determined,
 - (a) if a claim is made in respect of an accident that occurs in the Province, as if section 179 applied in respect of benefits provided under this Part, and
 - (b) if a claim is made in respect of an accident that occurs in another jurisdiction, as if the provisions of the legislation of that jurisdiction respecting terms, conditions and priorities of vehicle insurance applied in respect of benefits provided under this Part.

68 ***Section 105 (1) is amended by striking out “or claimants” and substituting “or the number of people making claims”.***

69 ***Section 106 is amended by repealing everything before paragraph (b) and substituting the following:***

(1) In this section, **“insured claim”** means any benefit, compensation similar to benefits, right to indemnity or claim to indemnity accruing to a person entitled to benefits, compensation or indemnity or to the personal representative or guardian of the person, and includes a benefit, compensation, right or claim

(a) under the *Workers Compensation Act* or a similar law or plan of another jurisdiction, unless

(i) the insured elects not to claim compensation under section 10 (2) of the *Workers Compensation Act* and the insured is not entitled to compensation under section 10 (5) of that Act, or

(ii) the Workers Compensation Board pursues its right of subrogation under section 10 (6) of the *Workers Compensation Act*.

70 ***Part 9 is repealed.***

71 ***Section 147 is amended***

(a) in subsection (1) by adding the following definition:

“collision coverage” means coverage for loss or damage caused by the upset of a vehicle or collision of a vehicle with another object, including a person or animal; ,

(b) in subsection (1) by repealing the definition of “insured” and substituting the following:

“insured” means

(a) the person named as an owner in an owner’s certificate,

(b) if the person referred to in paragraph (a) is deceased, the personal representative of that person,

(c) a person who can supply written proof that he is the beneficial owner of a commercial vehicle described in an owner’s certificate, but who, because of the licensing requirements of interprovincial or interstate trade, is not named as the owner on the certificate, or

(d) the lessee of a vehicle described in an owner’s certificate. ,

(c) in subsection (4) by striking out “under Part 9 or for own damage coverage provided by another insurer” and substituting “under an optional insurance contract”,

(d) in subsection (4) (a) by striking out “owner’s certificate” and substituting “optional insurance contract issued by the corporation”,

(e) by repealing subsection (4) (b) and substituting the following:

- (b) no compensation is payable for loss or damage for which coverage is provided under an optional insurance contract by an insurer other than the corporation. , *and*

(f) by repealing subsection (6) and substituting the following:

- (6) Except as provided in this section, Part 13 applies in respect of a claim under this section.

72 *Section 148 is amended*

(a) in subsection (1) in the definition of “uninsured vehicle” by striking out “motor vehicle liability policy as defined in the Insurance Act” and substituting “vehicle liability policy”, and

(b) in subsection (3) by striking out everything after paragraph (c) and substituting the following:

must not exceed the least of

- (d) the total amount of damages awarded in respect of the occurrence to all insured by the coverage,
- (e) the amount by which liability is limited in section 11 of Schedule 3, and
- (f) the minimum limits applicable to third party liability insurance coverage for injury or death in the jurisdiction in which the occurrence took place.

73 *Section 148.1 is amended*

(a) in subsection (1) in paragraph (c) of the definition of “deductible amount” by striking out “as accident benefits under another plan of automobile insurance similar to Part 7” and substituting “under legislation of another jurisdiction that provides compensation similar to benefits”,

(b) in subsection (1), in paragraphs (a), (b), (c), (e), (g), (h) and (i) of the definition of “deductible amount” by striking out “payable” and substituting “paid or payable”,

(c) in the definition of “deductible amount” by striking out “or” at the end of paragraph (h), adding “or” at the end of paragraph (i) and adding the following paragraph:

- (j) paid or able to be paid by any other person who is legally liable for the insured’s damages; ,

(d) in subsection (1) in paragraph (f) of the definition of “deductible amount” by adding “unless” at the end of the paragraph and by adding the following subparagraphs:

- (i) the insured elects not to claim compensation under section 10 (2) of the *Workers Compensation Act* and the insured is not entitled to compensation under section 10 (5) of that Act, or
- (ii) the Workers’ Compensation Board pursues its right of subrogation under section 10 (6) of the *Workers Compensation Act*; ,

- (e) *in subsection (1) (h) of the definition of “deductible amount” by striking out “a policy of insurance issued under the Insurance Act or a similar law of another jurisdiction” and substituting “vehicle insurance, wherever issued and in effect,”*
- (f) *in subsection (1) by repealing the definition of “owner’s certificate”,*
- (g) *in subsection (9) by striking out “a contract of automobile insurance of” and substituting “vehicle insurance in”, and*
- (h) *by adding the following subsections:*
 - (11) If an insured commences an action in British Columbia against a person who may be an underinsured motorist, the corporation may apply to the court to be added as a party to that action.
 - (12) If the laws of British Columbia applied to an action referred to in subsection (11), a judgment in the action by a court in British Columbia is binding on the corporation and on an arbitrator under section 148.2, whether or not the corporation makes an application under subsection (11).

74 *Section 148.2 is amended*

- (a) *in subsection (1) by striking out “The determination” and substituting “Subject to subsection (1.1), the determination”, and*
- (b) *by adding the following subsections:*
 - (1.1) A dispute about whether a person is an insured under this Division may be submitted to arbitration under the *Commercial Arbitration Act* regardless of whether there has been a determination that the injury or death of the person was caused by the use or operation of a vehicle by an underinsured motorist.
 - (2.1) An arbitrator who adjudicates a dispute under this section must publish the reasons for the decision by forwarding a copy of the reasons, with personal information that would identify the parties deleted, to the head librarian at the library of the Supreme Court and Court of Appeal at the Courthouse in Vancouver.
 - (4.1) The corporation is deemed to have provided consent under subsection (4) (b) if it does not respond within 90 days to a written request for consent that is sent by registered mail addressed to the claim office dealing with the insured’s claim.

75 *Section 148.7 is repealed.*

76 *The title of Part 11 is repealed and the following substituted:*

PART 11 – SPECIAL COVERAGE CERTIFICATES .

77 Section 149 is amended

- (a) in subsection (1) by striking out** “set out in Table 10 of Schedule 1 and payment of a surcharge in the amount determined in accordance with Table 4.1 of Schedule 1”;
- (b) in subsection (1) by striking out** “the form set out in Schedule 5” **and substituting** “the form established by the corporation”;
- (c) in subsections (1) (a), (b), (c), (d) and (h) and (3) by striking out** “policy”, “certificate of insurance” **and** “insurance certificate” **wherever they appear and substituting** “certificate”;
- (d) by repealing subsection (1) (g) and substituting the following:**
 - (g) highway crossing permit and certificate (APV-37); ,
- (e) in subsection (1) by adding the following paragraphs:**
 - (j) vintage motor vehicle certificate (APV-44);
 - (k) garage vehicle certificate (APV-4);
 - (l) garage non-owned vehicle certificate (APV-11);
 - (m) combined certificate of registration of a non-resident motor vehicle and certificate (APV-97);
 - (n) binder for owner’s interim certificate (APV-38);
 - (o) temporary operation permit and owner’s certificate (APV-16 or APV-16L);
 - (p) collector multi-vehicle certificate (APV-317);
 - (q) transporter’s licence and certificate (APV-32 or APV-32L);
 - (r) demonstration licence and certificate (APV-50 or APV-50L);
 - (s) repairer’s licence and certificate (APV-53 or APV-53L). ,
- (f) by repealing subsection (2) and substituting the following:**
 - (2) Subject to subsections (3) and (4), a special coverage certificate issued under subsection (1) evidences coverage under Parts 6, 7 and 10 while a vehicle covered by the certificate is being operated in accordance with the terms set out in the special coverage certificate. , **and**
- (g) in subsection (4) by adding “certificate” after “special coverage”.**

78 Section 150 is repealed and the following substituted:

Compulsory special coverages for garage certificate

150 (1) In this section:

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

- (a) the surface of the ground, the roadway being travelled on or an object on, in, under, over or adjacent to the roadway, including a road sign, guard rail, pier, bridge or culvert or any body of water or waterway under or adjacent to the pier, bridge, culvert or roadway,

- (b) a pedestrian as defined in Part 3 of the *Motor Vehicle Act*,
- (c) a vehicle attached to the vehicle, and
- (d) cargo, including animals, carried in or on
 - (i) a commercial motor vehicle the gross vehicle weight of which exceeds 5 000 kg, or
 - (ii) a commercial trailer,

and includes coverage for loss or damage caused by collision with another object if the collision results from the presence on or adjacent to the roadway of a domestic or wild animal, either living or dead, but there is no impact with the animal;

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

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

- (2) Subject to subsections (3), (4), (5) and (6), in addition to coverage specified in section 149 (2), each of a garage vehicle certificate and a garage non-owned vehicle certificate provides to a garage service operator
 - (a) collision coverage, and
 - (b) comprehensive or specified perils coverage
 that provide indemnity for liability of the garage service operator for loss or damage to customers’ vehicles that are in his or her care, custody or control in accordance with the terms of the certificate.
- (3) A garage service operator must purchase collision coverage with a deductible amount of not more than \$1 000.
- (4) The minimum amount of comprehensive or specified perils coverage that must be purchased by a garage service operator is an amount equal to the total maximum value of all customers’ vehicles that may, at any one time, be in the care, custody or control of the garage service operator at all locations described in the garage vehicle certificate or garage non-owned vehicle certificate, as the case may be.
- (5) If, at the time of a claim, the amount of comprehensive or specified perils coverage purchased by a garage service operator is less than 90% of the amount of comprehensive or specified perils coverage that is required to be purchased under subsection (4), the garage service operator is a co-insurer with the

corporation for any loss or damage to customers' vehicles that are in the care, custody or control of the garage service operator.

- (6) If a garage service operator is a co-insurer under subsection (4), the amount of the co-insured portion of the loss or damage for which indemnity is provided by the corporation must be determined by the following formula:

$$\left(\frac{\text{A.C.}}{\text{T.V.C.V.}} \right) \times \text{loss} - \text{deductible} = \text{claim}$$

where

"A.C." means the amount of comprehensive or specified perils coverage purchased by the garage service operator;

"T.V.C.V." means the total value of all customers' vehicles that are in the care, custody or control of the garage service operator when the loss or damage occurs;

"loss" means the cost of repairing those customers' vehicles to which loss or damage has occurred, or, if the vehicles are not repairable, the actual cash value of the vehicles and their attached equipment;

"deductible" means the deductible amount applicable to the comprehensive or specified perils coverage;

"claim" means the amount of indemnity payable by the corporation to the garage service operator for the corporation's portion of the loss or damage.

- (7) A garage service operator who holds a garage vehicle certificate must, on application for transporter, demonstration or repairer's number plates or for renewal, replacement, change or substitution of those number plates and the corresponding insurance,
- (a) produce for inspection by the corporation the garage vehicle certificate issued to the garage service operator, and
 - (b) pay to the corporation the applicable premium.

Garage certificates are primary insurance

- 150.1** Indemnity provided by a garage vehicle certificate or garage non-owned vehicle certificate, as the case may be, is primary insurance and any indemnity provided by an owner's certificate issued in respect of a vehicle in the care, custody or control of a garage service operator is available to the owner of the vehicle only to the extent that the amount by which liability is limited under the owner's certificate exceeds the amount by which liability is limited under the garage vehicle certificate or garage non-owned vehicle certificate, as the case may be.

79 *Section 151 is repealed and the following substituted:*

Coverage for unnamed owner

- 151** Insurance coverage evidenced by any of the following special coverage certificates includes as an insured the owner of a vehicle insured under the special coverage certificate:

- (a) temporary operation permit and owner's certificate (APV-16 or APV-16L);
- (b) transporter's licence and certificate (APV-32 or APV-32L);
- (c) trailer floater licence and certificate (APV-33);
- (d) demonstration licence and certificate (APV-50 or APV-50L);
- (e) repairer's licence and certificate (APV-53 or APV 53L).

80 *Sections 152 and 153 are repealed.*

81 *Section 154 is repealed and the following substituted:*

Expiry date of special coverage certificate

- 154** A special coverage certificate in a form listed in column A of Schedule 7 expires on the date shown on the special coverage certificate as determined by the date indicated opposite that special coverage certificate in columns B to H.

82 *Section 155 is repealed and the following substituted:*

Interpretation

- 155** In this Part:

“**fleet**” means not less than the minimum number of vehicles established by the corporation that

- (a) are registered in the name of or are leased from a person whose business is the leasing of vehicles to
 - (i) one person,
 - (ii) more than one corporation, if the corporations are parent and subsidiary, or
 - (iii) more than one person, if the persons jointly operate a taxi business and the vehicles are controlled by radio dispatch from one dispatching unit, and
- (b) are rated in a vehicle rate class designated by the corporation;

“**fleet operator**” means a person designated under section 157 as the operator of a fleet and includes every owner of a vehicle in the fleet;

“**owner**” includes an unregistered beneficial owner, lienholder, lessee or lessor.

83 *Section 156 is amended*

(a) *by repealing subsection (1) and substituting the following:*

- (1) In addition to applying under Part 2, a person may apply and, if a fleet comprises more vehicles than the number established by the corporation, must apply in the form established by the corporation to insure the vehicles as a fleet. ,

(b) *in subsection (4) by striking out “garage automobile policy or a garage non-owned automobile policy” and substituting “garage vehicle certificate or a garage non-owned vehicle certificate”, and*

- (c) *in subsection (5) by striking out “20 or more vehicles in the fleet” and substituting “more vehicles in the fleet than the number established by the corporation”.*
- 84 *Section 159 (2) is amended by striking out “falls below 5” and substituting “falls below the minimum number established by the corporation”.*
- 85 *Sections 163, 164, 167 (2) and 168 (1) and (4) are repealed.*
- 86 *Section 167 (1) is amended by striking out “Subject to subsection (2), if” and substituting “If”.*
- 87 *Section 168 is amended*
- (a) *by repealing subsection (2) and substituting the following:*
- (2) On receipt of the application and payment of the required premium, the corporation may, at its sole option, provide a fleet reporting certificate (APV-90) in the form established by it, with riders and endorsements. ,
- (b) *in subsection (3) by striking out “fleet reporting policy” wherever it appears and substituting “fleet reporting certificate”, and*
- (c) *in subsection (5) by striking out everything after “those number plates and corresponding insurance,” and substituting “produce for inspection by the corporation the fleet reporting certificate issued to the fleet operator”.*
- 88 *The following Parts are added:*

PART 13 – OPTIONAL INSURANCE CONTRACTS

Application of terms and conditions

- 169 (1) Subject to subsections (2) and (3), the terms and conditions in Schedule 10
- (a) are prescribed for optional insurance contracts that provide coverage that is not the extension of the limit of coverage specified in a certificate or in a policy that extends the limit of coverage specified in a certificate, with or without prohibitions, exclusions or different limits of coverage that are permitted under 61 (1.1) of the Act, to a limit that is in excess of that provided by a certificate,
- (b) form part of those optional insurance contracts,
- (c) apply only in respect of the coverage referred to in paragraph (a) that is provided by those optional insurance contracts, and
- (d) must be printed on every policy evidencing those optional insurance contracts, other than an interim receipt, a renewal receipt or a binder, with the heading “Prescribed Conditions”.
- (2) Prescribed condition 4 does not form part of an optional insurance contract that does not provide third party liability insurance coverage.

- (3) Prescribed conditions 5, 6, 7 and 9 do not form part of an optional insurance contract that does not provide coverage for loss of or damage to the vehicle specified in the contract.
- (4) If subsection (2) or (3) applies to a contract, the terms and conditions printed on a policy as required by subsection (1) may be renumbered consecutively.

What must be printed on an extension policy

- 170** (1) The following must be printed on every policy, other than an interim receipt, a renewal receipt or a binder, that evidences coverage that extends the limit of coverage specified in a certificate or another policy:

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

- (2) If the prescribed conditions are required to be printed on a policy under section 169, the words in subsection (1) must be printed on the policy immediately above the prescribed conditions.

Extended underinsured motorist protection

- 171** (1) If an insured covered by extended underinsured motorist protection commences an action in British Columbia against a person who may be an underinsured motorist, the insurer may apply to the court to be added as a party to that action.
- (2) If the laws of British Columbia applied to an action referred to in subsection (1), a judgment in the action by a court in British Columbia is binding on the insurer and on an arbitrator under section 148.2 whether or not the insurer makes an application under subsection (1).

Payment of costs and interest

- 172** If an optional insurance contract is evidenced by a vehicle liability policy, the insurer must, in addition to the amount by which liability is limited under the contract,

- (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 the contract, if reimbursement is not provided to the insured under other vehicle insurance or by another insurer,
- (b) pay costs incurred for fire extinguishers, jacks or other necessary emergency equipment or supplies provided to the insured,
- (c) pay that proportion of the costs taxed against an insured in an action respecting a claim under the contract that
 - (i) the amount offered by the insurer as its total liability for indemnity to the insured under the contract 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) pay
 - (i) prejudgment interest under the *Court Order Interest Act* or similar legislation of another jurisdiction, and
 - (ii) post-judgment interest under the *Interest Act* (Canada) or similar legislation of another jurisdiction
 on that part of the judgment that is within the limit under the contract, and
- (e) if indemnity is provided to the insured under 2 or more optional insurance contracts and one or more of them is for excess insurance provided by an insurer other than the insurer named in the contract, contribute to the payment of expenses, costs and reimbursements for which provision is made in this section in accordance with the respective liabilities of that other insurer and the insurer named in the contract for
 - (i) damages awarded against the insured, or
 - (ii) the amount payable under a settlement made on behalf of the insured.

Rights of insurer

- 173** Subject to section 79 of the Act, on assuming the defence of an action for damages brought against an insured, the insurer has exclusive conduct and control of the defence of the action and, without limiting the generality of the foregoing, the insurer is entitled to
- (a) appoint and instruct counsel to defend the action,
 - (b) admit liability, in whole or in part, on behalf of the insured,
 - (c) participate in any non-judicial process which has as its goal the resolution of a claim, and
 - (d) compromise or settle the action.

Exceptions from liability

- 174** An insurer is not liable under an optional insurance contract evidenced by a vehicle liability policy for any liability for a general or special assessment, penalty or premium payable under the *Workers Compensation Act* or a similar law of another jurisdiction.

Nuclear energy hazards

- 175** (1) In this section, “**nuclear energy hazard**” means the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada).
- (2) If an insured is covered under an optional insurance contract evidenced by a vehicle liability policy for loss or damage resulting from a nuclear energy hazard and is also covered against such loss or damage under a contract evidenced by a policy of nuclear energy hazard liability insurance issued by a group of insurers and in force at the time of the event giving rise to the loss or damage,
- (a) the vehicle insurance is excess to the nuclear energy hazard liability insurance, and
 - (b) an unnamed insured under the contract of nuclear energy liability insurance may, in respect of such loss or damage, recover indemnity under that

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

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

Disputes about vehicle loss or damage

- 176 (1) In this section and in section 177, “**coverage dispute**” means, in relation to insurance against loss of or damage to a vehicle or the loss of use of a vehicle, a dispute between the owner and the insurer as to
- (a) the nature and extent of required repairs or replacement, or
 - (b) the amount payable in respect of direct loss of or damage to the vehicle.
- (2) Subject to subsection (3), a coverage dispute, unless resolved voluntarily by the parties to it, must be resolved by arbitration under section 177.
- (3) A coverage dispute must not be submitted for arbitration more than 2 years after the occurrence of the loss or damage.

Arbitration process

- 177 (1) If a coverage dispute is, under section 176 (2), required to be submitted to arbitration, the owner or the insurer may refer the matters in dispute to arbitration in accordance with the *Commercial Arbitration Act*.
- (2) If the owner and the insurer are unable to agree on the appointment of an arbitrator, the owner or the insurer may apply to the British Columbia Arbitration and Mediation Institute to appoint an arbitrator.
- (3) An arbitrator appointed under subsection (1) or (2) must,
- (a) within 7 calendar days after his or her appointment, serve notice of the appointment on the owner and the insurer, and
 - (b) promptly after his or her appointment,
 - (i) meet or communicate with the owner and the insurer,
 - (ii) gather relevant information,
 - (iii) set a schedule for submission of documents,
 - (iv) set a date on which an award will be made, and
 - (v) deliver the written award with full reasons and documentation by registered mail to the owner and the insurer.
- (4) The owner and the insurer must share equally any costs incidental to the arbitration, including the costs of the arbitrator.

Priority of claims

- 178 For the purpose of payment of claims under third party liability insurance coverage, claims arising out of injury or death have priority over claims arising from loss or damage to property to the extent of 90% of the amount by which liability is limited under the plan or optional insurance contract and, subject to section 77 (1) of the Act,

claims arising out of loss or damage to property have priority over claims arising out of injury or death to the extent of 10% of the amount by which liability is limited under the plan or optional insurance contract.

Other priorities

- 179 Subject to section 175, insurance coverage under an optional insurance contract evidenced by an owner's policy of the kind referred to in section 57.1 of the Act, is, in respect of liability arising from or occurring in connection with the ownership, use or operation of a vehicle owned by the insured named in the optional insurance contract and within the description or definition of the vehicle in the policy, primary insurance, and insurance under any other vehicle liability policy is excess insurance only.

PART 14 – VEHICLE ACTIONS

Net income loss

- 180 The deductions, tax credits and premiums prescribed for the purposes of the definition of “**net income loss**” in section 95 of the Act are
- (a) the deductions and tax credits under the *Income Tax Act* and the *Income Tax Act* (Canada) and the premiums under the *Employment Insurance Act* (Canada) that apply, in the period in respect of which the net income loss is to be calculated, to the person in respect of whom the calculation of net income loss is being made, or
 - (b) for a person referred to in paragraph (b) of the definition of “**net income loss**”, any deductions, tax credits and premiums that apply to the person in respect of whom the calculation of net income loss is being made
 - (i) in the jurisdiction in which the person is liable to pay tax on income, and
 - (ii) in the period in respect of which the net income loss is to be calculated.

92 *Schedules 1, 2, 3.1, 5, 6, 8 and 9 are repealed.*

93 *Schedule 3 is amended by repealing section 1 (5) (c) and (d) and substituting the following:*

- (c) \$1 million, where the claims are made in respect of a commercial motor vehicle in excess of 5 000 kg gross vehicle weight, or a trailer, other than one described in paragraph (d), used for commercial purposes and required to be registered and licensed under the *Commercial Transport Act*, or
- (d) \$2 million, where the claims are made in respect of a commercial motor vehicle in excess of 5 000 kg gross vehicle weight, or a trailer that is used for
 - (i) commercial purposes and required to be registered and licensed under the *Commercial Transport Act*, and
 - (ii) the transportation of dangerous goods as described in Schedule XII of the Transportation of Dangerous Goods Regulation under the *Transportation of Dangerous Goods Act* (Canada).

94 *Schedule 4 is amended*

- (a) by striking out “Insurance (Motor Vehicle) Act” wherever it appears and substituting “Insurance (Vehicle) Act”, and***
- (b) in the Statutory Notice by striking out “(Section 20 ‘Uninsured Motor Vehicles’)” and substituting “(Section 20 ‘Uninsured Vehicles’)”.***

95 *Schedule 7 is amended*

- (a) in the title by striking out “Expiry Dates of Special Coverages” and substituting “Expiry Dates of Special Coverage Certificates”,***
- (b) by striking out the rows under Column A through Column H corresponding to the following special coverage forms:***
 - APD-10;
 - APV-25A to APV-29;
 - APV-40;
 - APV-45;
 - APV-55 to APV-90;
 - APV-197 to APV-300;
 - APV-314;
 - APV-330 to APV-348 , ***and***
- (c) in Column G by striking out “special coverage form” wherever it appears and substituting “special coverage certificate”.***

SCHEDULE 10

PRESCRIBED CONDITIONS

Application and interpretation

- 1 (1) In these conditions:
 - “insured” means a person who, whether named or not, is insured by this optional insurance contract;
 - “territory” means a territory established by the insurer;
 - “vehicle rate class” means a vehicle rate class established by the insurer.
- (2) These conditions apply only in respect of coverage provided by this contract that does not extend the limit of coverage that is specified in a certificate or a policy to a limit that is in excess of that provided by the certificate or policy.

Changes during term of contract

- 2 (1) In this section, “territory in which the vehicle is primarily located when not in use” means the territory in which the place where the vehicle is kept when not being driven is located, but does not include a place that is a work location.
- (2) The insured named in this contract must,
 - (a) within 10 days after
 - (i) the named insured’s address is changed from the address set out in this contract, or
 - (ii) the named insured acquires a substitute vehicle for the vehicle described in this contract, or
 - (b) before
 - (i) the use of the vehicle described in this contract is changed to a use to which a different vehicle rate class applies than the vehicle rate class applicable to the use set out in this contract, or
 - (ii) a vehicle in respect of which the premium is established on the basis of the territory in which a vehicle of that vehicle rate class is used or principally used, as the case may be, is used or principally used in a different territory than that set out in this contract,report the change of address, vehicle, use or territory to the insurer, and pay or be refunded the resulting difference in premium.
- (3) If the premium for a vehicle is established on the basis of the territory in which the vehicle is primarily located when not in use and that territory as set out in this contract is changed, the insured named in this contract must, unless the vehicle is being used by the insured for vacation purposes, report the change to the insurer within 30 days of the change, and pay or be refunded the resulting difference in premium.

Prohibited use

- 3 (1) The insurer is not liable to an insured who breaches this condition or a subcondition of this condition.
- (2) An insured must not operate a vehicle for which coverage is provided under this contract
 - (a) if the insured is not authorized and qualified by law to operate the vehicle,

- (b) for an illicit or prohibited trade or transportation,
 - (c) to escape or avoid arrest or other similar police action, or
 - (d) in a race or speed test.
- (3) An insured does not contravene subcondition (2) merely because the insured operates a vehicle in contravention of a restriction or condition imposed on his or her driver's licence by section 30.06 (2), 30.07 (1) or (3), 30.071 (1), 30.08 (1), 30.10 (2) or (4) or 30.11 (1) of the Motor Vehicle Act Regulations, B.C. Reg. 26/58.
- (4) An insured must not operate a vehicle for which coverage is provided under this contract contrary to the statements contained in the application for insurance for the vehicle, including, but not limited to,
 - (a) the use declared in the application for insurance for the vehicle,
 - (b) a statement relating to the time during which, and the territories in which, the vehicle may be operated, or
 - (c) a statement relating to the kind of goods, or number of passengers, that may be carried in or on the vehicle.
- (5) Use of a vehicle does not contravene subcondition (4) if the premium paid for the vehicle rate class applicable to the use set out in the application for insurance is greater than or equal to the premium established by the insurer for the vehicle rate class that is applicable to the use to which the vehicle is put.
- (6) An insured must not operate a motor vehicle for which coverage is provided under this contract if there is attached to the motor vehicle a trailer that is required to be registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act* and that is not registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act*.
- (7) An insured named in this contract must not permit the vehicle described in this contract to be operated by a person or for a purpose that breaches this condition or a subcondition of this condition or would breach this condition or subcondition of this condition if the person were an insured.
- (8) It is a breach of this condition if the injury, death, loss or damage in respect of which a claim is made by an insured is caused by or results from an intentional act of violence committed by the insured, while sane, by means of a vehicle.
- (9) It is a breach of this condition if
 - (a) an insured is operating a vehicle while under the influence of intoxicating liquor or a drug or other intoxicating substance to such an extent that the insured is incapable of proper control of the vehicle,
 - (b) an insured is convicted of
 - (i) a motor vehicle related *Criminal Code* offence,
 - (ii) an offence under section 95 or 102 of the *Motor Vehicle Act*, or
 - (iii) an offence under a provision of the law of another jurisdiction in Canada or the United States of America that is similar to a provision referred to in subparagraph (i) or (ii),
 - (c) an insured is convicted of an offence under section 253 (b) of the *Criminal Code*, section 224 of the *Motor Vehicle Act* or a provision of another jurisdiction in Canada or the United States that is similar to either of those sections and the accident in respect of which a claim is made by the insured occurred during the commission of the offence by the insured and while the insured was operating a vehicle, or

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

(10) In subcondition (9):

“convicted” includes being

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

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

Requirements if loss or damage to persons or property

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

Requirements if loss of or damage to vehicle

- 5 (1) If loss of or damage to the vehicle insured under this contract occurs, the insured must, if the loss or damage is covered by this contract,
 - (a) on the occurrence of loss or damage
 - (i) promptly notify the insurer of the loss or damage, and
 - (ii) file a written statement with the insurer setting out all available information on the manner in which the loss or damage occurred, and
 - (b) within 90 days after the occurrence of the loss or damage file a proof of loss.
- (2) The insurer may require that a proof of loss be sworn by the person filing it.
- (3) If loss of or damage to a vehicle that is covered by this contract occurs, the owner or operator of the vehicle

- (a) must, at the expense of the insurer, protect the vehicle as far as reasonably possible from further loss or damage, and
 - (b) until the insurer has had a reasonable opportunity to inspect the vehicle, must not, without the consent of the insurer, remove any physical evidence of the loss or damage to the vehicle or make any repairs to the vehicle, other than repairs that are immediately necessary to protect the vehicle from further loss or damage.
- (4) The insurer is not liable under this contract
 - (a) for loss or damage resulting from the failure of an owner or operator to comply with subcondition (3) (a), or
 - (b) to an owner if the owner or an operator, to the prejudice of the insurer, contravenes subcondition (3) (b).
- (5) The liability of the insurer for payment of indemnity for loss or damage to the vehicle is limited to the amount by which
 - (a) the cost of repairing or replacing the vehicle and its equipment or any part of it with material of a similar kind or quality,
 - (b) the declared value of the vehicle and its equipment, if appropriate, or
 - (c) the actual cash value of the vehicle and its equipment,
 whichever is least, exceeds the deductible amount set out in this contract.
- (6) The insurer is not liable for that part of the cost of repair or replacement that improves a vehicle beyond the condition in which it was before the loss or damage occurred.
- (7) The insurer may determine
 - (a) whether a vehicle and its equipment or any part of it will be repaired or replaced, and
 - (b) whether to pay a garage service operator in respect of a repair or replacement instead of making a payment to the insured.
- (8) The liability of the insurer for loss or damage to an obsolete part of an insured vehicle, or a part the manufacturer does not have in stock, is limited to the price at which the part was last listed on the manufacturer's price list.
- (9) If the insurer replaces a vehicle or pays to an insured the declared value or actual cash value of a vehicle or its equipment or both, less any applicable deductible amount in accordance with subcondition (5),
 - (a) the insurer is entitled, at its option, to the salvage in the vehicle or its equipment or both, and
 - (b) the insured must, on request of the insurer, execute any documents necessary to transfer to the insurer title to the vehicle or its equipment or both.
- (10) If an insured is a co-insurer under this contract of any loss or damage to a vehicle or its equipment or both,
 - (a) the insurer has conduct of the sale or other disposition of the salvage in the vehicle or its equipment or both, and
 - (b) the insured is entitled to share in the proceeds of the sale or other disposition of the salvage in the vehicle or its equipment or both in the same proportion as the insured is a co-insurer of the loss or damage.
- (11) The insured must not leave a vehicle or its equipment or both with the insurer without its consent, refuse to take delivery of the insured's vehicle or its equipment or both from the insurer or otherwise abandon a vehicle or its equipment or both to the insurer without its consent.

Statutory declaration

- 6 (1) If required by the insurer, the insured must, on the occurrence of loss or damage for which coverage is provided by this contract, deliver to the insurer within 90 days after the occurrence of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others in the vehicle, the encumbrances on the vehicle, all other insurance, whether valid or not, covering the vehicle and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the insured.
- (2) An insured who has filed a statutory declaration must
- (a) on request of the insurer, submit to examination under oath,
 - (b) produce for examination, at a reasonable time and place designated by the insurer, all documents in the insured's possession or control relating to the loss or damage, and
 - (c) permit copies of the documents to be made by the insurer.

Inspection of vehicle

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

Time and manner of payment of insurance money

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

Who may give notice and proof of claim

- 9 Notice of a claim related to loss or damage of the vehicle may be given and proof of claim and a statutory declaration may be made
- (a) by the agent of the insured named in this contract in case of absence or inability of the insured to give the notice or make the proof or statutory declaration, if the absence or inability is satisfactorily accounted for, or
 - (b) if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

Termination

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

- (ii) 15 days after the insurer sends, by registered mail, written notice of termination to the last address of the insured according to the insurer's records.
- (2) On termination the insurer must refund the excess of premium actually paid by the insured over the proportionate premium for the expired time less any debt owed by the insured to the insurer, but in no event must the proportionate premium for the expired time less any debt owed by the insured to the insurer be less than any minimum retained premium specified in this contract.
- (3) If this contract is terminated by the insurer, the refund must accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund must be made as soon as practicable.

Notice

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