



## Current Articles 2000 – November

### Automobile Policies are Changing

The current Ontario Automobile Policy (OAP 1) and the companion Application for Automobile Insurance (OAF 1) which were effected November 1, 1996, are being amended effective January 1, 2001.

The new wording will include same-sex partners as defined insureds throughout the whole policy. This was originally effected as of March 1, 2000 and an addendum was introduced to the current OAP 1 identifying this change. This change was discussed in my article of May 2000. Hence the new wording, by including these changes, eliminates the need for the separate addendum.

The revision will define a motorized snow vehicle as an automobile. Although most insurers recognized snow vehicles this way, this is for clarification following the original court decision to the opposite and the result being that Accident Benefits were not available to an injured passenger on a snow vehicle. I believe that decision has been reversed, however.

The present policy under section 1.8.1 -- General Exclusions, excludes coverage when the vehicle is used to carry paying passengers. There are some exceptions listed such as sharing the ride, carrying a hired domestic worker, transporting children for school activities and carrying clients and customers. A new exception has been introduced to clarify that a volunteer driver should not be considered as receiving compensation when being reimbursed for expenses. In my opinion, this is an extremely necessary and worthwhile amendment.

The present policy includes Loss of Use Due to Theft, subject to limit of \$30.00 per day and a maximum of \$900.00. The revision will remove the daily limit. In other words the only limit is the maximum of \$900.00 and your client can rent a car without a daily limit applying.

For clarification purposes the exclusion of trailer contents does not imply that automobile contents are covered. Another amendment clarifies that in addition to owners, employees and partners are covered under the owner's policy while conducting the business of selling, repairing, servicing, etc.

The illegal use section (7.2.1) excludes coverage if you are driving under the influence. This has been amended to include "operating" a vehicle also.

The current policy limits the loss of a tape to the tape that is in the tape deck. The ambiguity arose from the introduction of CD changers that may carry 6 to 10 CD's in the changer. The policy amendment will provide a \$25.00 maximum limit for tape or CD's.

The last amendment discontinues the OPCF 37 -- Limitation on Electronic Equipment. This endorsement when added to the policy limited a loss to non factory installed electronic equipment to \$1,500.00. The new policy includes a limit of \$1,500. on such electronic equipment. In other words, ALL policies issued or renewed after Jan. 1, 2001, will contain this limitation. The IBC is endeavouring to issue a pamphlet outlining the changes. However since you will no doubt have commenced to renew policies for January, it would be prudent on your part to bring this

amendment to your client's attention. Such a change and restriction cannot be defended because the broker was not aware of applicable electronic equipment if the broker does not make the client aware of this amendment. Broker -- Beware!

Any change that enhances the current wording will be read in as of Jan. 1, 2001. A limiting amendment will be applicable on new policies issued after Jan. 1 but will not apply to existing policies until the next renewal.

The OAF, Ontario Application Form will be amended to allow for longer VIN numbers on later model vehicles and to "enhance the quality of data", (whatever that means)

As mentioned in my May 2000 article, The Garage Policy has also been amended. Space does not permit a review of the amended Garage Policy but hopefully can be addressed next month.

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