

the children wife or husband of any such person; or

(c) to any person, not the owner of the automobile engaged in the business of an automobile garage repair shop or service station or as an automobile dealer for loss or damage sustained while engaged in the operation or repair of the automobile; and unless the coverage is expressly extended under section 22.

(d) for any loss or damage resulting from bodily injury to or the death of any person being carried in or upon or entering or getting on to or alighting from the automobile; or

(e) for loss or damage to property carried in or upon the automobile; or

(f) for loss or damage resulting from bodily injury to or the death of any employee of the insured while engaged in the operation or repair of the automobile.

21. Every owner's policy and driver's policy shall insure in case of bodily injury or death, to the limit of at least \$5,000 (exclusive of interest and costs) for bodily injury to or the death of any one person, and subject to such limit, for any one person so insured or killed of at least \$10,000 (exclusive of interest and costs) for bodily injury to or death of two or more persons in any one accident; or, in case of property damage, to the limit of at least \$1,000 (exclusive of interest and costs) for damage to property resulting from any one accident.

22. The insurer may by an endorsement on the policy and in consideration of an additional stated premium and not otherwise, extend the coverage in the following respects:

(a) in case of an owner's policy or a driver's policy, the matters mentioned in paragraphs (d), (e), and (f) of section 20 and in statutory condition 3; and

(b) in the case of an owner's policy, the operation or use of automobiles not owned by nor registered in the name of the insured; and

(c) in the case of an owner's policy, or driver's policy such other matters as may be approved by the Attorney-General or Deputy Attorney General.

23. Where any provision of the last preceding six sections is inapplicable by reason of the requirements of any Act, or, in the opinion of the Attorney General or Deputy Attorney General unsuitable to any special form of motor vehicle liability policy sufficient or appropriate to insure the risks required or proposed to be insured and in that case those sections shall not apply.

24.—(1) Any person having a claim against an insured, for which indemnity is provided by a motor vehicle liability policy shall notwithstanding that such person is not a party to the contract, be entitled, upon recovering a judgment therefor against the insured, to have the insurance money payable under the policy applied in or towards satisfaction of his judgment and of any other judgments or claims against the insured covered by the indemnity and may on behalf of himself and all persons having such judgments or claims, maintain an action against the insurer to have the insurance money so applied.

(2) No creditor of the insured shall be entitled to share in the insurance money payable under any such policy in respect of any claim for which indemnity is not provided by the policy.

(3) (i) No assignment, waiver, surrender, cancellation or discharge of the policy, or of any interest therein or of the proceeds thereof made by the insured after the happening of the event giving rise to a claim under the policy, and

(ii) no act or default of the insured before or after such event in violation of the provisions of this Act or of the terms of the contract, and

(iii) no violation of the Criminal Code or of any law or statute of any province, state or country by the owner or driver of the automobile.

shall prejudice the right of any person entitled under sub-section 1, to have the insurance money applied upon his judgment or claim, or be available to the insurer as a defence to such action.

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(4) The insurer may require any other insurers liable to indemnify the insured in respect of judgments or claims referred to in sub-section 1 to be made parties to the action and to contribute rateably according to their respective liabilities, and the insured shall, on demand furnish the insurer with particulars of all other insurance covering the subjects matter of the contract.

(5) Where a policy provides for coverage in excess of the limits mentioned in section 21 or for extended coverage in pursuance of section 22, nothing in this section shall with respect to such excess coverage, prevent the insurer from availing itself as against any claimant of any defence which the insurer is entitled to set up against the insured.

(6) The insured shall be liable to pay or reimburse the insurer upon demand, any amount which the insurer has paid by reason of the provisions of this section, which it would not otherwise be liable to pay.

25. Every insured against whom an action is commenced for damages occasioned by an automobile shall:

(a) give notice thereof in writing to the insurer within five days after service of notice or process in the action, and

(b) disclose to a judgment creditor entitled to the benefit of any motor vehicle liability policy particulars of such policy within ten days after written demand therefor.

**Policies Other Than Motor Vehicle Liability Policies**

26. A policy other than a motor vehicle liability policy, may contain a clause to the effect that the insurer in the event of loss shall pay only an agreed portion of any loss which may be sustained or the amount of the loss after deduction of a sum specified in the policy, in either case not exceeding the amount of the insurance, in which case there shall be printed upon the face of the policy in conspicuous type in red ink the words "This policy contains a partial payment of loss clause."

27. Where a claim is made under any policy other than a motor vehicle liability policy, the insurer shall, notwithstanding any agreement, adjust the amount of the claim with the insured named in the policy as well as with any person having an interest indicated in the policy.

**Penalties**

28.—(1) Every insurer or person who fails to comply with or violates any provision of this Act shall be guilty of an offence against this Act.

(2) Every insurer and person guilty of an offence against this Act shall be liable on summary conviction to a penalty not exceeding two hundred dollars for every such offence.

29. These Regulations shall come into force on the first day of September, 1932, and shall continue in force until the day of the prorogation of the next session of the Legislature.

**SCHEDULE "A."**

**STATUTORY CONDITIONS**

1.—(a) The insured named in the policy shall promptly notify the insurer, or its local agent, in writing of any change in the risk material to the contract and within his knowledge.

(b) Without restricting the generality of the foregoing, the words "change in the risk material to the contract" shall include:

(i) any change in the insurable interest of the insured named in the policy in the automobile by sale, assignment or otherwise except through change of title by succession, death or proceedings under the Bankruptcy Act; and in cases other than motor vehicle liability policies:

(ii) any mortgage lien or encumbrance affecting the automobile after the application for the policy;

(iii) any other insurance of the same interest, whether valid or not, covering loss or damage insured by

the policy or any portion thereof.

2. The automobile shall not, with the knowledge, consent or connivance of the insured named in the policy be used or driven:

(a) by any person under the influence of drink or drugs so as to be incapable of proper control of the automobile; or

(b) by any person not qualified and authorized by law to drive the automobile; or in case the law does not prescribe any qualification or authority, by any person under the age of sixteen years; or

(c) for any illicit or prohibited trade or transportation; or

(d) in any race or speed test.

3. Unless permission is expressly given by an endorsement of the policy and in consideration of an additional stated premium, the automobile shall not be rented or leased nor shall it be used:

(a) with trailer attached; or

(b) to carry explosives; or

(c) as a taxicab, public omnibus, livery, jitney, or sight-seeing conveyance or for carrying passengers for compensation or hire.

4.—(1) The insured shall promptly give to the insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of accident; shall verify by affidavit or statutory declaration, if required by the insurer that the claim arises out of the operation or use of an automobile described in the policy and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured by the policy; and shall forward immediately to the insurer every writ, letter, document or advice received by him from or on behalf of the claimant.

(2) The insured shall not voluntarily assume any liability or settle any claim except at his own cost. The insured shall not interfere in any negotiations for settlement or in any legal proceeding, but whenever requested by the insurer shall aid in securing information and evidence and the attendance of any witness, and shall co-operate with the insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

5.—(1) Upon the occurrence of any loss or damage to the insured automobile, the insured shall, if such loss or damage is covered by this policy.

(a) forthwith give notice thereof, in writing, to the insurer with fullest information obtainable at the time and shall, at the expense of the insurer and as far as reasonably possible protect the automobile from further loss or damage and any such further loss or damage accruing directly or indirectly from a failure to protect shall not be recoverable hereunder. No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the insurer except such repairs as are immediately necessary for the protection of the automobile from further loss or damage or until the insurer has had a reasonable time to make the examination provided for in statutory condition 7.

(b) deliver to the insurer within ninety days of the date of the loss or damage a statutory declaration stating, so far as the insured knows or believes, the place, time cause and amount of the loss or damage, the interest of the insured and of all others therein the encumbrances thereon automobile and that the loss or damage did not occur through any wilful act or neglect procurement, means or connivance of the insured.

(2) The insured shall submit to examination under oath, and shall produce for examination, at such reasonable place as is designated by the insurer or its representative all documents in his possession or control which relate to the matters in question, and shall permit extracts and copies thereof to be made.

(3) The insurer shall not be liable beyond the actual cash value of the automobile at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such