

November 23, 2004

TO ALL LICENSED AUTOMOBILE INSURERS

**RE: S.E.F. No. 6a - Permission to Carry Passengers For Compensation Endorsement**

The purpose of this bulletin is to provide a interpretation on the use of the S.E.F. No. 6a endorsement in relation to an employee using their vehicle in the business of their employer or an insured person using their vehicle for volunteer purposes.

The Owner's Policy S.P.F. No. 1 contains an "excluded use" provision relating to the use of the insured vehicle for compensation or hire.

*General Provision 8 - Excluded Uses states:*

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

- (a) *the automobile is rented or leased to another; provided that the use by an employee of his automobile on the business of his or her employer and for which he or she is paid shall not be deemed the renting or leasing of the automobile to another;*
- (c) *the automobile is used as a taxicab, ... or for carrying passengers for compensation or hire; provided that the following uses shall not be deemed to be the carrying of passengers for compensation or hire:*

...

- (iv) *the use by the insured of his automobile for the carriage of clients or customers or prospective clients or customers.*

Therefore, the S.E.F. No. 6a endorsement is not required when the insured person's vehicle is used to transport clients or when a person uses their vehicle on the business of their employer even though the employee is paid to do so.

A number of questions have arisen as to whether the endorsement is required for persons using their vehicles for volunteer purposes. The endorsement is not required where a volunteer is paid mileage and expenses when using their vehicle for volunteer purposes.

Attached for your information are copies of Insurance Bureau of Canada bulletins on the issue of volunteer drivers.

If you have any questions on this issue please contact Arthur Hagan, Deputy Superintendent of Insurance at 780-422-1592.

Sincerely,

Dennis Gartner  
Assistant Deputy Minister  
Pensions, Insurance and Financial Institutions

Att.

INSURANCE  
BUREAU  
OF CANADA



BUREAU  
D'ASSURANCE  
DU CANADA

**TO:** Head Offices of Member Companies  
for the Attention of the Chief Executive Officer

**DATE:** March 31, 2004

**BULLETIN NO.** CEO 2004-03

### **VOLUNTEER DRIVERS**

A number of years have passed since CEO Bulletin 89-77 regarding volunteer drivers was issued by IBC. It is likely that a number of industry employees are unaware of this bulletin.

Bulletin 89-77 was prepared in response to concerns raised by volunteer organizations that their volunteer drivers were being asked to notify their insurer if they are acting as a volunteer driver. In CEO bulletin 89-77 we pointed out that occasional driving by volunteers is in no way a violation of the policy and there should be no need in such circumstances for the company to be advised of the activity. We pointed out that this is so even though there may be a payment towards the cost of a trip.

The suggestion made by IBC in 1989 is equally applicable today and we encourage our members to follow this advice. As we mentioned in CEO bulletin 89-77, we are not dealing here with people who are acting on an all-day, everyday basis where there is a profit motive and where an endorsement to the policy might well be appropriate.

Stanley I. Griffin, M.A., CIP  
President and Chief Executive Officer

/vb

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TO: Head Offices of Member Companies for the  
 Attention of the Chief Executive Officer

DATE: December 21, 1989

BULLETIN NO: CEO 89-77

### VOLUNTEER DRIVERS

Some volunteer organizations are expressing concern that their volunteer drivers are being asked by some insurers to notify the insurer where they are acting in this capacity. We would point out that occasional driving by volunteers is not in any way a violation of the policy and there should be no need in such circumstances for the company to be advised of the activity. This is so even although there may be a payment towards the cost of the trip.

Clearly, we are not dealing here with people who are acting on an all day, every day basis where there is a profit motive and where an endorsement to the policy might well be appropriate.

John L. Lyndon  
 President

JLL/vb

Staff Reference: Alex Kennedy  
 Vice President and General Counsel

**S.E.F. No. 6a**  
**PERMISSION TO CARRY PASSENGERS FOR COMPENSATION ENDORSEMENT**

In consideration of a premium of \$..... permission is hereby given for the automobile to be used to carry passengers for compensation or hire in the business of or for the use described as follows:

If more than one automobile is insured under this policy, this endorsement shall apply only to the automobile(s) described under item(s) number..... of the schedule of automobiles attached to and forming part of this policy.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Attached to and forming part of Policy No. \_\_\_\_\_ of \_\_\_\_\_

Issued to \_\_\_\_\_

This endorsement shall be effective from ..... A.M. .... P.M. Local Time ..... Y.M.D.