

ClubPac News

October 2007

Motorized Vehicles

The insurance of “motorized vehicles” is a highly complex issue and it is not the intent of this article to provide detailed guidance of the legal rights and obligations applicable in each province. We merely wish to point out that in many cases the issue is not clear, and explain how ClubPac has been designed to conform with the legislation.

Every province in Canada requires that the owner of a car or truck is required to license it and insure it. Whether Government (BC, MB, SK, QU) or private, the applicable legislation also requires that these vehicles be insured under an approved AUTOMOBILE POLICY. It is not up to the owners or their insurance companies to decide.

At one time, it was easy. If it was licensed; insure it under an AUTO policy, and if not, insure it under a GENERAL policy. Unfortunately it is no longer that simple. Licensing is a form of tax and no province wants to miss that income, so they have all been creative in producing a confusing plethora of license categories. Some provinces have 12 to 18 different classes of vehicle licenses. Furthermore, motorized vehicles now come in multiple shapes and uses.

To make matters worse, the same vehicle used in different ways may be licensed and insured differently depending upon its usage. For example, in Ontario an All Terrain Vehicle (ATV) used exclusively on the owner's own property can be licensed under the “Off Road Vehicles Act (ORVA) and insured on a General policy, but if it uses trails off the owner's property or roads it must be licensed under the Highway Traffic Act (HTA) and insured by an Automobile policy under the Compulsory Automobile Insurance Act (CAIC). In British Columbia, golf carts may or may not be licensed under the Highway Traffic Act depending upon their use or the owner's option, but if so, must be insured through the government run ICBC.

In fact, the provincial governments cannot even agree on what is a “Highway” and what is not. BC deems parking lots, driveways and private access roads as “highways”, but Ontario does not.

Golf clubs of course usually own a significant number and variety of “motorized equipment”. Too many in fact for the insurance contract to contemplate and track. Each club must look at each piece of motorized equipment and at its usage, and then decide what part(s) of the provincial legislation it falls into. Some of the club's vehicles (by design or usage) are going to fall into the automobile license categories and be required to carry Automobile Insurance. Others are not.

Be VERY CAREFUL when asking for decisions at your local license bureau. Make sure that the licensing agent is aware of both the description of the vehicle and its intended uses. Ideally get their licensing decision in writing, but most agents will refuse, so at least document what you have given to or described to the agent. Incomplete information is likely to get you the wrong license.

How does ClubPac handle the issues of usage and insurance protection ?

Obviously we require that you use vehicles in the appropriate manner required by the Law in your province. For example if you are in BC and your power carts are not licensed for “on highway” use, then keep them out of the parking lot and off of the access roads ! If your ATV in Ontario is used to travel off of the club’s property then make sure that it is appropriately licensed and insured.

We routinely hear that: “everyone around here does it” and “the local police don’t stop or ticket us for that”. These are not waivers of the law. Common practice and/or a lack of local police enforcement will not have any bearing in a multi-million dollar lawsuit.

If the LAW in your province says that under the circumstances, a particular vehicle is REQUIRED to be insured under an Auto policy, we cannot insure it under ClubPac.

In order to simplify the insurance contract terms and conditions, **ClubPac EXCLUDES:**

All vehicles “required” by the applicable provincial law to be insured under an Automobile Insurance Contract whether so insured or not. If your province says that your particular type of vehicle or its usages requires an automobile policy, whether you follow the law or not, we do not cover it under ClubPac.

All vehicles “voluntarily” insured under an Automobile Insurance policy. If you are not clearly required by law, but choose to insure a vehicle under an automobile policy “just in case” or due to potential future use, we do not cover it under ClubPac.

The ClubPac policy position is simple and clear, unfortunately figuring out which vehicles require licensing and automobile policies is a local legal issue, which we can neither track or resolve for each and every club on the program.

CLUBPAC NEWS is provided at no charge to participants of the CLUBPAC program. It is intended to assist clubs in implementing good loss control practices and to keep them informed of trends and issues in the area of golf industry insurance. Clubs should refer to local “experts and authorities” for specific information about any “technical” or “legislative” issues mentioned.