

**MEMORANDUM OF AGREEMENT**made this 9th day of July 1997**BETWEEN:****SASKATCHEWAN GOVERNMENT INSURANCE ("SGI")****AND****HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA****as represented by the Provincial Treasurer ("the Province of Alberta")**

The Province of Saskatchewan has enacted a system of no-fault insurance that applies principally to residents of Saskatchewan who suffer bodily injuries in automobile accidents. SGI is authorized by statute to enter into agreements with governments of other provinces respecting compensation for bodily injury of (a) residents of other provinces who are involved in accidents in Saskatchewan, and (b) Saskatchewan residents who are involved in accidents outside Saskatchewan.

The Province of Alberta may by regulation require that automobile insurance policies issued in Alberta provide for payment of no-fault benefits to residents of Alberta who suffer bodily injuries in automobile accidents in Saskatchewan.

SGI and the Province of Alberta therefore enter into this agreement.

1. INTERPRETATION**1.1 Definitions - In this Agreement:**

- - a. "Accident"
 - i. in respect of an accident that happens in Alberta, means an accident as defined in the Alberta Regulations; and
 - ii. in respect of an accident that happens in Saskatchewan, means an accident as defined in Part VIII of the Saskatchewan Statute;
 - b. "Alberta Regulations" means the Alberta Accident Insurance Benefits Regulations, Alberta Regulation 352/72, as amended or replaced from time to time;
 - c. "Alberta Resident" means a Resident of Alberta as defined in clause 2A(1)(e) of the Appendix, but does not include:
 - i. a "Saskatchewan Resident" or
 - ii. an Uninsured Alberta Resident;
 - d. "bodily injury" and "personal injury" include death;
 - e. "Saskatchewan Regulations" means The Personal Injury Benefits Regulationst R.S.S. 1978, c. A-35, as amended or replaced from time to time;
 - f. "Saskatchewan Resident" means a person who is a person resident in Saskatchewan within the meaning of sections 6 to 9 of the Saskatchewan Regulations;
 - g. "Saskatchewan Statute" means The Automobile Accident Insurance Act, R.S.S. 1978, c. A-35, as amended or replaced from time to time;
 - h. "Uninsured Alberta Resident" means an Alberta Resident other than an "insured person" as defined in the Appendix.

1.2 Interpretation - In this Agreement:

- a. references to claims and compensation, including subrogated claims, pertain to bodily injury only, and not to property damage;
- b. references to a person injured in an Accident include anyone claiming through that person; and
- c. references to:
 - i. persons "involved" in Accidents;
 - ii. Accidents "involving" persons;
 - iii. persons "causing" Accidents; or
 - iv. persons "responsible for causing" Accidents;

do not pertain to the vicarious liability of owners of automobiles.

1.3 Section References - References in this Agreement to Section numbers are to the corresponding numbered provisions of this Agreement.

1.4 Appendix - The attached Appendix is part of this Agreement.

2. PURPOSE

2.1 Intended Results - This Agreement is intended to produce the following results:

- a. where an Alberta Resident is injured in an Accident in Saskatchewan, he or she will be compensated on a no-fault basis by his or her own insurer, and will not be compensated by SGI;
- b. where an Uninsured Alberta Resident is injured in Accidents in Saskatchewan, he or she will receive compensation from SGI in accordance with the Saskatchewan Statute, but only to the extent that the Uninsured Alberta Resident is not responsible for causing the Accident;
- c. where an Alberta Resident causes an Accident in Saskatchewan, SGI will not pursue a subrogated claim against the Alberta Resident;
- d. where a Saskatchewan Resident is injured in an Accident in Alberta, SGI will pay no-fault benefits to the Saskatchewan Resident, and will not pursue any subrogated claim against an Alberta Resident responsible for the Accident.

2.2 Inapplicability of Agreement - This Agreement does not affect any rights or obligations where a person who is neither an Alberta Resident nor a Saskatchewan Resident is involved in an accident in Saskatchewan while operating an automobile owned by an Alberta Resident, if the automobile is insured under a motor vehicle liability policy issued pursuant to the Alberta Regulations.

3. CONDITION PRECEDENT

3.1 Amendment of Alberta Regulations - This Agreement becomes effective only upon the Alberta Regulations being amended so as to mandate inclusion in the standard form of motor vehicle liability policy of a provision that, in all respects material to this Agreement, has the same effect as the draft provision attached as the Appendix to this Agreement.

3.2 Application - This Agreement applies to all accidents occurring on or after the date when the condition precedent in section 3.1 is fulfilled.

3.3 Undertaking of the Province of Alberta - Following execution of this Agreement, the Province of Alberta will with due dispatch present for consideration by the Lieutenant Governor in Council of Alberta a proposal for amendment of the Alberta Regulations that, if enacted, would fulfill the condition precedent in section 3.1.

4. ACCIDENTS IN SASKATCHEWAN:

4.1 Compensation by SGI - SGI will not be obligated to compensate an Alberta Resident injured in an Accident in Saskatchewan, regardless of whether the Alberta Resident was responsible for causing the Accident.

4.2 Waiver of Subrogated Claim - SGI waives any right of subrogation it may have against an Alberta Resident involved in an Accident in Saskatchewan.

4.3 Owner's Vicarious Liability - The waiver in section 4.2 extends to a right of subrogation against an owner of an

automobile vicariously liable for the negligence of the Alberta Resident where the owner is an Alberta Resident.

4.4 Other Subrogation Rights - Except as provided in sections 4.2 and 4.3, this Agreement does not affect any right of subrogation exercisable by SGI.

4.5 Uninsured Alberta Resident - SGI will pay compensation to an Uninsured Alberta Resident injured in an Accident in Saskatchewan, in accordance with the Saskatchewan Statute, to the extent that the Uninsured Alberta Resident was not responsible for causing the Accident. To the extent that the Uninsured Alberta Resident was responsible for causing the Accident, SGI may exercise any right of subrogation it may have against the Uninsured Alberta Resident, including any right arising from the vicarious liability of the owner of the automobile operated by the Uninsured Alberta Resident.

4.6 Nothing in this Agreement affects the right of an Alberta Resident to bring an action pursuant to section 103 of the Saskatchewan Statute.

5. ACCIDENTS IN ALBERTA:

5.1 Subrogation - In any claim or action in Alberta arising out of an Accident in Alberta involving a Saskatchewan Resident, SGI will not exercise its subrogation rights against an Alberta Resident.

6. TERMINATION

6.1 Termination by SGI - SGI may by notice to the Province of Alberta immediately terminate this Agreement if, after the coming into effect of this Agreement, the Alberta Regulations are amended, superseded or repealed so as to materially alter the effect of the provisions set out in Appendix "A".

6.2 Termination Upon Notice - Either party may terminate this Agreement by giving at least 180 days notice in writing to the other.

6.3 Effect of Termination - In the event of termination of this Agreement, it will continue to apply to all Accidents occurring up to and including the effective date of termination.

7. COMMUNICATIONS

7.1 Notices - Any notice under this Agreement shall be in writing, and shall be effective when delivered by any means, including fax transmission, to the parties at the following addresses:

- a. in the case of SGI:
Saskatchewan Government Insurance
2260 - 11th Avenue
Regina, Saskatchewan
S4P 0J9
Attention: Vice President Claims
fax # (306) 525-6040
- b. in the case of the Province of Alberta:
402 Terrace Building
9515 107 Street
Edmonton, Alberta
T5K 2C3
Attention: Superintendent of Insurance
Fax # (780) 420-0752

7.2 Notification by the Province of Alberta - The Province of Alberta undertakes to give notice in a timely manner to SGI of:

- a. enactment of amendments to the Alberta Regulations that fulfill the condition precedent in section 3.1; and
- b. any subsequent amendments to the Alberta Regulations that are relevant to this Agreement.

The parties have therefore signed this Agreement, each by its duly authorized officers.

[Original Signed]

SASKATCHEWAN GOVERNMENT INSURANCE

By:

Date: _____ Per: _____ (President)

Date: _____ Per: _____ (Vice President Claims)

HER MAJESTY THE QUEEN IN RIGHT

OF ALBERTA, as represented by the

Provincial Treasurer

Date: _____ Per: _____ (Deputy Provincial Treasurer)

APPROVED by: ALBERTA INTERGOVERNMENTAL AND ABORIGINAL AFFAIRS

Date: _____ Per: _____ (Deputy Minister)

APPENDIX
to an Agreement between
Saskatchewan Government Insurance
and
Her Majesty the Queen in right of Alberta

SUPPLEMENTED BENEFITS RESPECTING ACCIDENTS OCCURRING OUTSIDE ALBERTA IN A NO-FAULT JURISDICTION

In this Subsection 2(A):

- a. "Accident" means an event resulting in bodily injury caused by an automobile or by the use of an automobile or by the load of an automobile, including damage caused by a trailer;
- b. "insured person" means an individual who is a resident of Alberta and who
 - i. is an occupant of the described automobile or of a newly acquired or temporary substitute automobile as defined in this policy;
 - ii. is an occupant of any automobile and is the named insured, or a spouse of the named insured, or a dependent relative of either living in the same dwelling premises as the named insured.
 - iii. is not an occupant of an automobile, and is the named insured, or a spouse of the named insured, or a dependant relative of either if living in the same dwelling premises as the named insured;
 - iv. while a pedestrian, is struck by the described automobile or a newly acquired or temporary substitute automobile as defined in this policy;
 - v. is
 - A. the occupant of an automobile; or
 - B. or a pedestrian struck by an automobile;

and is:

- C. an employee or partner of the named insured, who is provided with the regular use of the described automobile, or a spouse of the employee living in the same dwelling premises as the employee or a spouse of the partner living in the same dwelling premises as the partner, or
- D. a spouse or dependent relative of an individual referred to in (C) who resides in the same dwelling premises as a person referred to in (C),

or,

- vi. is
 - A. the occupant of an automobile, or

B. a pedestrian struck by an automobile

driven by a person described in any of subclauses (i) through (v); but does not include a person who is, at the time of an accident in Quebec, the owner or driver of, or a passenger in, an automobile registered in Quebec.

- c. "no-fault jurisdiction" means the Provinces of Quebec, Ontario, Manitoba and Saskatchewan; and "applicable laws" means, with respect to each no-fault jurisdiction, the laws in force from time to time governing the system of no-fault automobile insurance in that jurisdiction.
- d. "pedestrian" means a person who is not the occupant of an automobile;
- e. "Resident of Alberta" means any person who:
 - i. is authorized by law to be or to remain in Canada and is living and ordinarily present in Alberta, and
 - ii. meets the criteria for non-residency in the no-fault jurisdiction established by the applicable laws of the no-fault jurisdiction.

(2) Where an insured person suffers personal injury as a result of an accident occurring in a no-fault jurisdiction, the insurer agrees to pay to the insured person the amount that would be payable under the applicable laws of the no-fault jurisdiction as if the insured person were a resident of the no-fault jurisdiction.

(3) In any claim or action in Alberta arising out of an accident in Alberta, no right of subrogation is exercisable against a Saskatchewan Resident in respect of Section B - Accident Benefits paid to an Alberta Resident under an automobile insurance policy issued in Alberta.

(4) For the purposes of this Subsection, any reference in the applicable laws of the Province of Quebec to statutes of Quebec relating to taxation, workers compensation, pensions and similar matters shall be read as references to the corresponding statutes having application in the Province of Alberta.

(5) No exclusion or limitation in this Section B or in the General Provisions, Definitions and Statutory Conditions of the automobile insurance contract may be raised by the insurer in respect of a claim by an insured under clause (2) of this Subsection 2(A).