

my boat and me

How to Read Your Policy

Your policy is written in language designed to make it easier for you to understand your insurance protection. This policy is a legal contract between you and us.

It consists of:

- The Coverage Summary Page(s)
- The policy form contained in this booklet
- The Statutory Conditions which apply to all forms and are required by provincial law

This policy form consists of the following sections:

SECTION I – PROPERTY COVERAGES describes the insurance on your **watercraft** and **personal property**.

SECTION II – PERSONAL LIABILITY PROTECTION describes the insurance for your **legal liability** for **bodily injury** to others or damage to property of others arising from your ownership, maintenance, use or operation of the **watercraft** insured on this policy. It also includes benefits following injury or damage to property of others.

SECTION III – GENERAL CONDITIONS THAT APPLY TO SECTION I and II describes the general conditions that shall be paramount and shall override anything contained in your policy that conflicts with them.

SECTION IV – STATUTORY CONDITIONS describes conditions required by provincial laws on property policies.

IF WE BROADEN COVERAGE WHILE THE POLICY IS IN EFFECT, YOU WILL RECEIVE THE BENEFIT OF THE INCREASED COVERAGE AT NO ADDITIONAL CHARGE.

Table of Contents

AGREEMENT.....	4
DEFINITIONS.....	4
SECTION I – PROPERTY COVERAGES.....	5
INSURED PROPERTY.....	5
EXTENSIONS OF COVERAGE.....	5
Emergency Towing.....	5
Newly Acquired Property.....	5
Loss of Use and Additional Living Expenses.....	6
Personal Property.....	6
Sue & Labour Costs and Mitigation Measures.....	6
Trailers.....	6
INSURED PERILS.....	6
PROPERTY EXCLUDED.....	6
LOSS OR DAMAGE NOT INSURED.....	6
TERRITORY.....	8
Eastern Navigational Zone.....	8
Western Navigational Zone.....	8
Inland Navigational Zone.....	8
BASIS OF CLAIM SETTLEMENT.....	8
Total Loss.....	8
Partial Loss.....	9
Salvage.....	9
Payment Terms.....	9
Disagreement - Arbitration.....	9
DEDUCTIBLE.....	9
SECTION II – PERSONAL LIABILITY PROTECTION.....	9
COVERAGE.....	9
LIABILITY COVERAGES.....	9
Defence, Settlement, Supplementary Payments.....	10
What You Must Do After An Accident Or Occurrence.....	10
Unauthorized Settlements.....	10
VOLUNTARY MEDICAL PAYMENTS.....	10
EXTENSIONS OF COVERAGE.....	10
Accidental Death.....	10
Federal Longshoremen's and Harbour Worker's Compensation Act (U.S.).....	10
Marine Environmental Damage.....	10
Newly Acquired Watercraft.....	11
Non-Owned Watercraft.....	11
Pollution Liability.....	11
Removal of Wreck.....	11
Search and Rescue.....	11
Uninsured/Underinsured Boaters Coverage.....	11

EXCLUSIONS – SECTION II.....11

Insurance Under More Than One Policy.....13

SECTION III – GENERAL CONDITIONS APPLICABLE TO SECTION I AND II OF THIS POLICY.....13

Canadian Marine Law.....13

Hold Harmless Agreement.....13

Transfer of Interest.....13

Assignment of Policy.....13

Arrest, Confiscation, Detention.....13

Concealment, Misrepresentation or Fraud.....13

Authorized operators.....13

Support of Claim.....13

Duplicate coverage.....13

In Case of Death.....13

Action Against Us.....13

Liberalization Clause.....14

Policy Period.....14

SECTION IV– STATUTORY CONDITIONS.....14

STATUTORY CONDITIONS (British Columbia, Alberta and Manitoba).....14

STATUTORY CONDITIONS (Northwest Territory, Nunavut and Yukon).....16

AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out. All amounts of insurance, premiums and other amounts expressed in this policy are in Canadian currency.

The Coverage Summary Page(s) summarizes the coverages and amounts of insurance we have agreed to provide and the period for which they are provided. Only the person(s) named on the Coverage Summary Page(s) may take legal action against us.

DEFINITIONS

"You" and "your" as used in the text that follows refer to the **Insured**. "We" and "us" refer to the insurer.

Words and expressions in bold are defined in this section. Note that the endorsements may include their own definitions.

The following definitions apply to the entire insurance policy. However, if a definition applies only to either SECTION I – Property Coverages or SECTION II – Personal Liability Protection, it will be so stated.

Amount of Insurance means the maximum amount we will pay for any one **occurrence** or incident no matter how many people covered by this policy are involved. Different amounts apply to different coverages and these amounts are shown on the Coverage Summary Page(s).

Bodily Injury means bodily injury, sickness or disease or resulting death.

Business means any continuous or regular pursuit undertaken for financial gain including a trade, profession, occupation or agricultural operations.

Computer System means any computer, hardware, media, electronic or digital **data**, software, communications or networking system, electronic device (including but not limited to smart phones, laptops, tablets, wearable devices), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back-up facility.

Cyber Incident means:

- a) Unauthorized access to or use of any **computer systems**.
- b) Criminal act, malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any **computer system** and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any **computer system** or otherwise disrupt its normal functioning or operation; or
- c) Denial of service attack which disrupts, prevents or restricts access to or use of any **computer system**, or otherwise disrupts its normal functioning or operation.

Data means information, facts, concepts, code or any other information of any kind:

- a) that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**; or
- b) that is used for records, including but not limited to books of account, drawing or card index systems.

Data Problem means:

- erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
- error in creating, amending, entering, deleting or using **data**; or
- inability to access, receive, transmit or use **data**.

Electronic equipment means electronic equipment normally used to navigate, operate and maintain your **watercraft**, whether permanently attached or portable.

Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any fungi or spore(s) or resultant mycotoxins, allergens or pathogens.

Insured means the person(s) named as Insured on the Coverage Summary Page(s) and, while living in the same household:

- his or her **spouse**;
- the relatives of either; and
- any person under 21 in their care.

Spouse means a person:

- who is married to or has entered into a civil union with another person and is living with that person; or
- who has been living with another person of the opposite or the same sex and has been publicly represented as that person's spouse for at least **two** years or, in the following cases, for at least one year if:
 - a child has been born or is to be born of their union, or
 - they have adopted a child together; or
 - one of them has adopted a child of the other.

In addition, a student who is enrolled in and actually attends a school, college or university and who is dependent on the Named Insured or his or her **spouse** for support and maintenance is also insured even if temporarily residing away from the principal residence stated on the Coverage Summary Page(s).

Applicable to SECTION II – PERSONAL LIABILITY PROTECTION only

In addition, we will insure:

- 1) Any person while performing duties as your **residence employee**.
- 2) If you die, your legal representative having temporary custody of the **watercraft**, motor and/or boat **trailer**, for **legal liability** arising out of your ownership, maintenance or use of the **watercraft**, motor and/or boat **trailer**.

- 3) Any person including a captain or a full-time crew member using your **watercraft** with your permission. This does not include any person operating or employed by a marina, boat repair yard, shipyard, yacht club, sales agency, boat service station, or other similar organization.

Intoxicating substance means alcoholic beverages, illicit drugs, prescription drugs or medication, or any other substance, or combination thereof, that may influence, impair or affect a person's coordination, reaction time, judgment, mobility, motor skills, motor function or ability to safely operate a vessel.

Legal Liability means responsibility which courts recognize and enforce between persons who sue one another (Applicable to SECTION II – LIABILITY COVERAGES only)

Occurrence means:

- a) Applicable to SECTION I – PROPERTY COVERAGES only:

An event causing loss or damage; all loss or damage having the same origin will be considered as one **occurrence**.

- b) Applicable to SECTION II – PERSONAL LIABILITY PROTECTION only:

An event causing loss, injury or damage; all loss, injury or damage having the same origin will be considered as one **occurrence**, regardless of the number of claimants.

Parasailing means using your vessel to tow a person in a device designed for flight.

Personal property means clothing, sporting equipment, including fishing tackle and other personal items. Personal property does not include legal tender, bank notes, stored value cards, bullion, gold, silver, platinum, tokens, cheques, credit, debit or bank cards, passports, securities, evidence of debt, valuable papers, or articles of personal adornment such as jewellery, watches and furs.

Personal watercraft means any motorized vessel designed to be operated by a person sitting, standing or kneeling on it rather than within the confines of the hull.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including fuel oil, vapour, soot, chemicals, pesticides, herbicides, waste and smoke from agricultural smudging or industrial operations. Waste also includes materials that are to be recycled, recovered and reused.

Property damage means damage to or destruction of property.

Residence Employee means a person employed by you to perform household or domestic services or duties of a similar nature in connection with the maintenance or use or operation of the **watercraft**, motor and/or boat **trailer** insured by this policy but not persons performing duties in connection with any **business** you conduct.

Spores includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any **fungi**.

Tender is a smaller boat generally used for transportation between a larger boat and the shore.

Terrorism means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Trailer means boat trailer and permanently attached equipment described on the Coverage Summary Page(s), used to transport the vessel on land.

Watercraft means the vessel(s) you own, as described on the Coverage Summary Page(s) including the power units and/or auxiliary outboard motors, spars, sails, rigging, accessories and equipment together with any dinghy or **tender**. However, a **personal watercraft** is not a **tender**.

SECTION I – PROPERTY COVERAGES

INSURED PROPERTY

If you have purchased this coverage, we agree to provide the following benefits.

We insure:

1. the **watercraft** described on the Coverage Summary Page(s) including permanently attached equipment;
2. the outboard motor(s) described on the Coverage Summary Page(s) including fuel containers and electric starting equipment or controls supplied as integral equipment by the manufacturer;
3. boating equipment not included in 1. or 2. above, including batteries, oars, oarlocks, anchors, boat covers, cushions, life preservers, fire extinguishers, **electronic equipment**, extra gasoline tanks, horns, pumps and similar property, while such property is attached to or contained in or on the **watercraft** described on the Coverage Summary Page(s);
4. the boat **trailer(s)** described on the Coverage Summary Page(s).

EXTENSIONS OF COVERAGE

1. Emergency Towing

If your **watercraft** or **trailer** becomes disabled for any reason other than a loss or damage covered by this policy, we will reimburse expenses incurred for the following, up to a limit of \$5,000 per incident:

- Towing it to the nearest marina, service station, or other location where repairs can be made;
- Delivery of necessary fuel or repair parts excluding the cost of the delivered items; and
- Labour done at the site of breakdown.

There is no deductible for this coverage.

We will not pay for the cost of repairing or replacing a part that causes the **watercraft** or **trailer** to become disabled if such repair or replacement is not covered by the Coverages above or is excluded in the Exclusions below.

2. Newly Acquired Property

If you acquire any additional **watercraft**, outboard motors, boating equipment and boat **trailers**, we will automatically insure these under this policy provided you notify us within 30 days. Should your newly acquired property suffer loss or be damaged by an **insured peril**, we will not pay more than the **amounts(s) of insurance** shown on your Coverage Summary Page(s). This extension only applies to newly acquired **watercraft** of a type already insured under this coverage.

A \$500 deductible for each **occurrence** applies to this coverage.

3. Loss of Use and Additional Living Expenses

a) Loss of Use

Should your **watercraft** suffer loss or be damaged by an **insured peril** and it is necessary for you to rent a replacement **watercraft** while yours is being replaced or repaired, we will reimburse you for that rental cost up to \$1,500 for each **occurrence**.

There is no deductible for this coverage.

b) Additional Living Expenses

Should your **watercraft** suffer loss or be damaged by an **insured peril** and it is necessary for you to incur additional living expenses while your **watercraft** is being replaced or repaired, we will pay up to \$1,500 for each **occurrence**.

There is no deductible for this coverage.

4. Personal Property

We will cover your **personal property** and, to the extent that they are not insured by another insurance policy, the **personal property** of your passengers and crew while they are on board your **watercraft**. However, we do not cover any loss caused by changes in temperature or humidity or loss of **personal property** by unexplained or mysterious disappearance.

We will pay the reasonable cost to repair or replace covered **personal property** up to \$5,000 for each **occurrence**.

There is no deductible for this coverage.

5. Sue & Labour Costs and Mitigation Measures

We will pay all mitigation costs (sue and labour) reasonably incurred in minimizing or averting a loss which would have formed a claim under Section I of this policy. The maximum amount payable for such costs is 50% of the **amount of insurance** shown on the Coverage Summary Page(s).

6. Trailers

In the case of an **occurrence** covered under Section I of this policy, we cover the repair or replacement of your **trailer**, used with your **watercraft**, up to \$5,000 per occurrence, whichever is less, unless a higher coverage amount is shown on the Coverage Summary Page(s).

A \$250 deductible per occurrence applies to this coverage.

INSURED PERILS

You are insured against all risks of direct loss or damage to insured property.

However, all exclusions and limitations contained in this insurance policy apply.

PROPERTY EXCLUDED

We do not insure:

- 1) Any **watercraft** provisions, groceries, potable water, additional fuel, fine arts, firearms, cryptocurrencies and non-fungible tokens.
- 2) The tail shaft(s). These are excluded only if it is shown on the Coverage Summary Page(s).

LOSS OR DAMAGE NOT INSURED

With respect to **watercraft**, outboard motors, boating equipment or boat **trailers**, we do not insure:

1. Communicable Disease

loss, damage or expenses caused directly or indirectly, in whole or in part by any:

- a) virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease; or
- b) communicable disease.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage or expenses.

2. Cyber Incident

loss, damage or expenses caused directly or indirectly, in whole or in part, by any **cyber incident**. Such loss, damage or expenses is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage or expenses. However, if loss, damage or expenses caused by any **cyber incident** results in the **occurrence** of further loss, damage or expenses to property insured that is directly caused by fire, smoke, explosion, impact by aircraft or land vehicle, falling objects, or leakage from fire protective equipment, this exclusion shall not apply to such resulting loss, damage or expenses. For the purposes of this policy, vandalism and malicious acts do not include a **cyber incident**.

3. Data Problem

loss or damage caused directly or indirectly by **data problem**.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. However, if loss or damage caused by **data problem** results in the **occurrence** of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, leakage from fire protective equipment, this exclusion shall not apply to such resulting loss or damage.

For the purposes of this policy, vandalism and malicious acts do not include **data problem**.

4. Defects

- a) loss or damage caused by mechanical, electrical or electronic breakdown or malfunction or by defects, unless such loss results directly from a fluctuation in artificially generated electric currents or lightning.
 - b) the cost to repair defective or malfunctioning property or property that breaks down.
- However, we insure loss or damage caused directly to insured property by an insured peril resulting from such defect, malfunction or breakdown.

5. Faulty Material or Workmanship

the cost of correcting faulty material or workmanship. However, we insure loss or damage caused directly to insured property by an **insured peril** resulting from such faulty material or workmanship.

6. Freezing

damage caused by freezing to the engine or its components:

- a) when the **watercraft** is afloat, unless the engine and its attachments are equipped with a closed loop freshwater cooling system;
- b) when the **watercraft** is on land, unless:
 - it has been winterized for a fee by a qualified and recognized marina or boat repairer or mechanic, and then only if receipts for such winterization have been retained by you and submitted to us; or
 - the engine and its attachments are equipped with a closed loop freshwater cooling system.

This exclusion does not apply to sailboats.

7. General Maintenance

loss or damage resulting from your failure to maintain your **watercraft** in sound condition.

8. Gradual Damage

- a) wear and tear to, or gradual deterioration of, property.
- b) loss or damage caused by rust, corrosion, dampness, condensation, extremes of temperature, wet or dry rot, **fungi** or **spores**, bacteria, electrolysis, galvanic action, fibreglass osmosis or blistering.

9. Intentional or Criminal Act

- a) loss or damage resulting from any intentional or criminal act or failure to act by any **Insured** or at the direction of any **Insured**. However, this exclusion does not apply to any **Insured** but only to the extent of their proportional interest in the lost or damaged property, who has not:
 - committed and was not a party to the intentional or criminal act or failure to act;
 - abetted or colluded in the intentional or criminal failure to act; or
 - consented to the intentional or criminal act or failure to act and neither knew nor ought to have known that the intentional or criminal act or failure to act would cause loss or damage.
- b) loss or damage resulting from intentional or criminal acts or a failure to act by others who borrow or use your **watercraft**.
- c) loss or damage that take place while your **watercraft** is being used by anyone who is not legally authorized to do so under federal or provincial laws or regulations.
- d) loss or damage resulting from your operation of, or permitted use of others to operate, the **watercraft** while under the influence of an **intoxicating substance**.

An operator will be deemed to be under the influence of an **intoxicating substance** if:

 - the operator is convicted by a court of operating a vessel when impaired;
 - the operator is convicted by a court of operating a vessel with more than 80 mg of alcohol in the blood; or
 - the operator refused to comply with a demand for a breath sample by authorities.
- e) any **watercraft** or equipment illegally acquired or kept or seized or confiscated by an order of a public authority or as a result of a violation of any law.

10. Land Vehicle

loss or damage arising from the ownership, maintenance, use, loading, unloading, transporting or towing of any motorized land vehicle.

11. Marine Life

gradual loss or damage caused by any form of marine life, however we will cover loss caused by zebra mussels if the **watercraft** is taken out of the water and cleaned annually.

12. Marring

marring, scratching, chipping or denting unless caused by theft or attempted theft.

13. Nuclear Incident

- a) loss, damage or expenses caused directly or indirectly by any nuclear incident as defined in the *Nuclear Liability Act*, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- b) loss or damage caused directly or indirectly by contamination by radioactive material.

14. Pollution

loss or damage caused by contamination or pollution, or the release, discharge or dispersal of contaminants or **pollutants**.

15. Repair or Work

loss or damage while it is being repaired or worked on or if the loss or damage is due to electrical currents, except lightning, however, we will insure your loss or damage if a fire or explosion results, but only for the loss due to the fire or explosion.

16. Terrorism

loss, damage or expenses caused directly or indirectly, in whole or in part, out of **Terrorism** or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate **Terrorism**. This exclusion applies regardless of any contributing or aggravating cause or event that contributes concurrently or in sequence to the loss, damage or expenses.

17. Theft or Attempted Theft

damage caused by theft or attempted theft. This exclusion applies only if it is mentioned on the Coverage Summary Page(s)

18. Transport

loss or damage that occurs while the **watercraft** is being loaded or unloaded or transported aboard a cargo vessel.

19. Usage

loss, damage or expenses caused directly or indirectly while the **watercraft** is used:

- a) for compensation or which is chartered, leased, used for commercial purposes, or exhibition, unless written permission is given by us in advance. Recreational entertainment of **business** clients on your **watercraft** is not considered commercial use;
- b) in any illegal trade or transportation;
- c) while being operated in an official race or speed test, unless it is a sailboat or you are participating in a fishing competition;
- d) while being used for **parasailing** or kite-sailing.

20. War

loss, damage or expenses caused directly or indirectly by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power.

TERRITORY

The coverage provided under the insurance contract will apply only if the loss occurs:

- On land, when the **watercraft** is located in Canada and the United States;
- In water, but only when the **watercraft** is located in the following navigational zones:

Eastern Navigational Zone

Coastal waters not north of 52° North and not south of 40° North and no further than 100 miles offshore from Canada and the United States. However, the French inland waters of Saint-Pierre-et-Miquelon are excluded.

Western Navigational Zone

- 1) The coastal waters between Vancouver Island and the mainland of British Columbia and north west of Washington State, not outside of lines drawn between the following points:
 - a) Cape Flattery on the mainland of Washington State and Owen Point on the southwest side of Vancouver Island; and
 - b) Cape Sutil on the northern tip of Vancouver Island and Allison Harbour on the mainland of British Columbia.
- 2) Barkely Sound on the west side of Vancouver Island to Port Alberni and not west of a line drawn between Cape Beale and Amphitrite Pointe.
- 3) The Fraser River not east of the mouth of the Sumas River.
- 4) The Pacific coastal/tidal waters from Malcolm Island, British Columbia, to Cape Spencer, Alaska, but only between May 1 and October 1, both days inclusive.

Inland Navigational Zone

Inland waters of Canada and the USA, not south of the 40° North.

BASIS OF CLAIM SETTLEMENT

We will pay for any insured loss or damage up to your financial interest in the property, but not exceeding the applicable **amount(s) of insurance** for any loss or damage arising out of one **occurrence**, as follows:

Total Loss

If your **watercraft** is destroyed or suffers a total loss and the reasonable expense of recovering and repairing your **watercraft** is equal to or greater than the **amount of insurance** shown on the Coverage Summary Page(s) it will be considered a total loss.

We will pay the replacement cost, based on a maximum payment of 125% of the **amount of insurance** shown on the Coverage Summary Page(s), provided that:

- Your **watercraft** is 3 years of age or less at the time of the loss;
- Your **watercraft** is insured to its full replacement value; and
- You replace your damaged **watercraft** with a **watercraft** of at least like kind and quality.

If your **watercraft** is greater than 3 years old at the time of the loss, or if your **watercraft** is 3 years of age or less at the time of the loss and you choose not to replace it, we will pay up to the **amount of insurance** shown on the Coverage Summary Page(s) without any deduction or depreciation.

Replacement cost means the cost, on the date of the loss or damage, of the lesser of:

- repairing the property with materials of similar kind and quality; or
- new property of similar kind, quality and usefulness

without any deduction for depreciation.

Partial Loss

If the **watercraft** sustains partial damage from a covered loss, we will pay the reasonable cost to repair, in accordance with customary practices, without deduction for depreciation up to the **amount of insurance** shown on the Coverage Summary Page(s).

We will only pay Actual Cash Value at the time of the loss for sails, protective covers, fabric or similar material, older than 3 years of age. We will reduce our payment by any amount paid for a previous loss to the **watercraft** if damage from a previous **occurrence** was not repaired.

Actual cash value means the cost to repair or replace property at the time of loss, less depreciation. In determining depreciation, we will consider, but are not limited to, the age, condition, resale value, obsolescence, and normal life expectancy of the property at the time of the loss.

Salvage

If there is a loss or damage and we made a payment under this policy for that loss or damage, and there is a salvage as a result of that loss or damage, we are entitled to that salvage.

Payment Terms

Should a cash settlement be requested by you, we will pay the reasonable cost to repair or replace up to the **amount of insurance** shown on Coverage Summary Page(s).

Disagreement – Arbitration

If you or we fail to agree on the amount of loss, you or we may demand a condition and value survey. You and we will agree on the selection of a licensed, independent marine surveyor in order to reach an agreement, the expense of which will be shared equally between you and us. Every effort will be made to reach an agreement in a reasonable amount of time. By agreeing to a condition and value survey we do not waive our rights under this policy.

DEDUCTIBLE

We will pay only the amount by which any loss or damage caused by an **insured peril** exceeds the deductible amount shown on the Coverage Summary Page(s). Only one deductible will apply per **occurrence**. In the event of a total loss of the **watercraft**, the deductible will not be applied. The **tender** to your **watercraft** is not subject to a deductible. If a loss involves only the boat **trailer**, cradle, or the **electronic equipment**, the deductible shall be \$250 per occurrence.

SECTION II – PERSONAL LIABILITY PROTECTION

COVERAGE

This insurance applies:

1. to accidents or **occurrences** which take place during the period this policy is in force;
2. separately to each **Insured** against whom the claim is made or action is brought.

LIABILITY COVERAGES

This is the part of the policy you look to for protection if you are sued.

We will pay all sums which you become legally liable to pay as compensatory damages because of unintentional **bodily injury** or **property damage** as well as the resulting loss of use arising out of your ownership, maintenance, use or operation of the **watercraft** or **trailer** insured by this policy.

The amount of insurance shown on the Coverage Summary Page(s) is the maximum amount we will pay for all compensatory damages in respect of one accident or **occurrence** regardless of the number of claims made or the number of **Insureds** against whom claims are made or actions are brought.

If this policy and any other policy or coverage form issued to any **Insured** by Intact Insurance Company or any of its affiliates apply to the same **occurrence**, the maximum limits under all such policies or coverage forms shall not exceed the highest applicable limit of liability available under any one location in any one policy or any coverage form. This condition does not apply to any other insurance issued by us or any of our affiliated companies specifically intended to apply as excess insurance over this policy.

Defence costs and supplementary expense payments as described under **Defence, Settlement, Supplementary Payments** are in addition to the **amount of insurance**.

We insure your **watercraft**, motor and/or boat **trailer** for Liability and Voluntary Medical Payments Coverage.

We do not insure claims made against you arising from:

1. liability you have assumed by contract unless your **legal liability** would have applied even if no contract had been in force, but we do insure claims made against you for the **legal liability** of other persons arising out of your ownership, maintenance, use or operation in relation to your **watercraft**, motor and/or boat **trailer** that you have assumed under a written contract;
2. damage to property that you currently own or have ever owned;
3. damage to property used, occupied, leased or rented by or in the care, custody or control of an **Insured** except for unintentional **property damage** to property owned by others, or their contents, which you are using, renting or have in your custody or control caused by fire, explosion, water damage or smoke;

4. damage to **personal property** or equipment as a result of work done on them by you or anyone on your behalf;
5. **bodily injury** to you or to any person residing in your household other than a **residence employee**.

We will not pay fines, penalties, punitive damages, exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you, or any other sum over and above actual compensatory damages.

There are other exclusions that apply to all Coverages under Section II. Please refer to "**Exclusions – Section II**".

Defence, Settlement, Supplementary Payments

If a claim is made against you for which you are insured under Section II we will defend you, even if the claim is groundless, false, or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim if we decide this is appropriate. We will pay only for the legal counsel we select.

We will also pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured for liability;
3. any interest accruing after judgment on that part of the judgment which is within the **amount of insurance** for liability;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the **amount of insurance**, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or **occurrence** insured by this form; and
6. reasonable expenses including actual loss of income up to \$300 per day to a total of \$15,000 which you incur at our request.

What You Must Do After An Accident Or Occurrence

1. When an accident or **occurrence** takes place you must promptly give us notice (in writing if requested by us). The notice must include:
 - a) the date, time, place and circumstances of the accident or **occurrence**;
 - b) names and addresses of witnesses and potential claimants.
2. You must also:
 - a) co-operate with us in any legal actions including obtaining witnesses, information and evidence about the accident or **occurrence**, if we ask you;
 - b) immediately send to us legal documents and any other written communication you receive concerning the accident or **occurrence**.
3. If requested by us, you must arrange for the injured person(s) to:
 - a) give us written proof of claim as soon as possible, under oath if required;
 - b) submit to physical examination at our expense by doctors we select as often as we may reasonably require;
 - c) authorize us to obtain medical and other records.

Proofs and authorization may be given by someone acting on behalf of the injured person.

Unauthorized Settlements

You shall not, except at your cost, voluntarily make payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of accident.

VOLUNTARY MEDICAL PAYMENTS

We will pay reasonable medical expenses incurred within one year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured in connection with your ownership, maintenance, use or operation of the **watercraft**, motor and/or boat **trailer**. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

An **amount of insurance** of \$50,000 is the maximum amount we will pay for each person per occurrence.

We will not pay:

1. expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
2. your medical expenses or those of persons residing with you, other than **residence employees**;
3. medical expenses of any person covered by any Workers' Compensation Statute.

There are other exclusions that apply to all Liability Coverages. Please refer to the "**Exclusions**".

EXTENSIONS OF COVERAGE

1. Accidental Death

In the event that you, your **spouse** or your dependent children sustain accidental **bodily injury** and die within 12 months from the date of the accident, provided such injury arises out of the operation of the insured **watercraft**, we will pay the following benefits to the estate of the **Insured** who died:

- \$10,000 for the death of the **Insured**;
- \$5,000 for the death of the **Insured's spouse**;
- \$1,000 for the death of each dependent child.

2. Federal Longshoremen's and Harbour Worker's Compensation Act (U.S.)

We will provide coverage for any liability which you are responsible for under this Act as long as your responsibility arises from the ownership or use of the insured **watercraft**.

3. Marine Environmental Damage

We cover damages up to \$10,000 you are legally obligated to pay per occurrence for marine environmental damage.

Marine environmental damage means physical injury to, or the alteration or destruction of, coastal or marine habitat through physical contact with your **watercraft**.

4. Newly Acquired Watercraft

We cover damages you are legally obligated to pay for **bodily injury** or **property damage** caused by an **occurrence** resulting from the ownership, maintenance or use of any **watercraft** that is newly acquired after the effective date of this policy. The coverage period is 30 consecutive days after you acquire it, unless stated otherwise or an exclusion applies. To benefit from this coverage, you must request coverage for the newly acquired **watercraft** within 30 days after you acquire it, we must agree to insure it, and you must pay the premium from the date acquired.

This Newly Acquired Watercraft liability extension does not apply if you have other valid liability insurance with us protecting you in respect of the same event.

5. Non-Owned Watercraft

We will pay all sums which you become liable to pay as compensatory damages because of unintentional **bodily injury** or **property damage** resulting from your use of a **watercraft** not owned, leased, chartered or hired by you unless stated otherwise or an exclusion applies. We will pay a maximum amount equivalent to 100% of the **amount of insurance** for your **watercraft** shown on the Coverage Summary Page(s) for any physical loss or damage to the non-owned **watercraft** itself, its equipment, furnishings or cargo. This Non-owned **watercraft** liability extension does not apply if you have other valid **liability** insurance with us protecting you in respect of the same event.

6. Pollution Liability

We will pay for loss, damage, costs, liability or expenses that you, as owner of the **watercraft**, shall become liable to pay in consequence of the sudden and accidental discharging or releasing of any fuel, chemicals, waste or other **pollutants** from your insured **watercraft**.

Your policy will not pay for loss, damage, costs, liability or expenses resulting directly or indirectly or arising out of or having relation to:

- a) punitive or exemplary damages;
- b) any fine or penalty arising out of the actual or potential discharge, spillage or leakage of oil, fuel, cargo petroleum products, chemicals or other substances of any kind or description;
- c) the U.S. *Water Quality Improvements Act*, or any subsequent amendment or modification thereof;
- d) any loss, damage, cost, liability or expense paid or incurred in consequence of any such actual or potential discharge, spillage or leakage, proximately caused by fault on the part of the **Insured**.

"Sudden and Accidental" means an event which is identified as occurring at an instantaneous moment in time during the period of the policy, is accidental and neither expected or intended by the **Insured** and became known to the **Insured** within 72 hours after its commencing and is reported to insurers within 90 days of the event.

7. Removal of Wreck

We will pay the costs involved in the removal or demolition of property insured if it is wrecked in a waterway and the authority holding jurisdiction requires its removal or demolition, or we will pay the amount for which you are held liable for failing to do so.

8. Search and Rescue

We will pay up to \$10,000 per occurrence for the reasonable expenses incurred by you for a search and rescue operation in the event any person from your **watercraft** is lost at sea.

9. Uninsured/Underinsured Boaters Coverage

We will pay you damages for **bodily injuries** sustained by you or any person insured under this policy and resulting from an accident with an Uninsured Boater or a third party uninsured or underinsured vessel, unless otherwise stated or an exclusion applies.

The maximum amount of uninsured/underinsured boaters protection is \$1,000,000 per occurrence. This is the maximum amount we will pay, regardless of the number of **Insureds**, claims made, or boats involved in any one accident or series of accidents arising out of the same **occurrence**. We are only liable for the difference between the amounts payable under the uninsured/underinsured boater's liability insurance, if any, and the **amount of insurance** provided here.

If there is any other available medical benefits coverage for injuries as a result of an uninsured/underinsured boaters accident, this extension will be excess over such other coverage.

This extension of coverage applies to a loss occurring within the territorial limits covered by this policy.

No judgment for damages arising out of a suit brought against an uninsured/underinsured boater is binding unless we receive notice that the suit is pending.

"Uninsured/underinsured boater" means an owner or operator of a boat, other than your **watercraft**, who is legally responsible for the accident, and is in one or more of the following situations:

- they are not covered by a liability policy for the **occurrence** in question;
- their liability insurer denies coverage or becomes insolvent;
- they do not carry sufficient insurance (underinsured); or
- they cannot be identified.

EXCLUSIONS – SECTION II

We do not insure claims arising out of:

1. Assault or Harassment

- a) sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or

- b) failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.

2. Communicable Disease

- a) any communicable disease; or
b) any virus, bacterium, or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

This exclusion applies regardless of any contributing or aggravating cause or event that contributes concurrently or in sequence to the claim.

3. Computer Systems

- a) the failure of any **computer system** to operate, or the failure, malfunction or inadequacy of any computer or other equipment, including embedded microchips, computer program or software to correctly read, recognize, process, distinguish, interpret or accept any date, time, or combined date/time **data** field. Such failure shall include any error in original or modified **data** entry or programming;
b) any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you, or for you, to determine, rectify or test for any potential or actual problems described in a) of this exclusion.

4. Data

- a) any erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
b) any error in creating, amending, entering, deleting or using **data**;
including any loss of use arising from either a) or b);
c) the distribution or display of **data** by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of **data**.

5. Fines or penalties

any fines and penalties.

6. Intentional or Criminal Act

- a) any wilful negligence or criminal act by an **Insured**. This exclusion does not apply to an **Insured** who has not committed and is not involved in the wilful negligence or criminal act;
b) damage resulting directly or indirectly, in whole or in part, from your operation of, or permitted use of others to operate, the **watercraft** while under the influence of an **intoxicating substance**.

An operator will be deemed to be under the influence of an **intoxicating substance** if they:

- are convicted by a court of operating a **watercraft** when impaired;
- are convicted by a court of operating a **watercraft** with more than 80 mg of alcohol in the blood; or
- refused to comply with a demand for a breath sample by authorities.

7. Misappropriation

the taking or other misappropriation of property by or directed by a person or entity named on the Coverage Summary Page(s) or a person who lives with you. This exclusion does not apply to the taking or misappropriation of property by your captain, crew, or guests, unless the misappropriation was directed by a person or entity named on the Coverage Summary Page(s), or a person who lives with you.

8. Nuclear Incident

bodily injury or **property damage** which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers.

This exclusion applies regardless of any contributing or aggravating cause or event that contributes concurrently or in sequence to the claim.

9. Settlement Agreement

any settlement with a third party without our written consent. Nor do we cover any judgment for a suit brought without our written consent.

10. Terrorism

directly or indirectly, in whole or in part, out of **Terrorism** or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate **Terrorism**. This exclusion applies regardless of any contributing or aggravating cause or event that contributes concurrently or in sequence to the claim.

11. Transport

- a) the ownership, maintenance, use, loading, unloading, transporting or towing of any motorized land vehicle, of any aircraft, or of any **watercraft** owned by you that is not covered under this policy.
b) loss or damage that occurs while the **watercraft** is being loaded or unloaded or transported aboard a cargo vessel.

12. Usage

- a) your **watercraft** when it is being used for compensation or hire, or charter, or commercial use or exhibition, unless we agree in advance to such use in writing. Recreational entertaining of **business** clients on your **watercraft** is not considered charter or commercial use;
b) directly or indirectly, in whole or in part, from the operation of a **watercraft** in any competitive, prearranged or organized racing, speed test or speed contest, sports event or timed event of any kind, including the preparation for or practice, unless it is a sailboat or you are participating in a fishing competition;
c) your **watercraft** when it is being used in any illegal trade or transportation.

13. War

directly or indirectly from any war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military power.

14. Watersports

bodily injury, property damage or medical expenses if the **watercraft** is used for or engaged in **parasailing** or kite sailing.

15. Workers' Compensation

any liability imposed upon or assumed by you under any workers' compensation statute;

Insurance Under More Than One Policy

If you have any other policy or coverage form issued by a company other than Intact Insurance Company or any of its affiliates which apply to the same **occurrence** or claim, or would have applied if this policy did not exist, this policy will be excess insurance over such other policy or coverage form, and we will not pay any loss or claim until the amount of such other insurance is used up.

SECTION III – GENERAL CONDITIONS APPLICABLE TO SECTION I AND II OF THIS POLICY**Canadian Marine Law**

Your policy is subject to Canadian marine law and usage as to liability and settlement of any and all claims. Unless otherwise provided herein, your policy is subject to the *Marine Insurance Act*, S.C. 1993, C. 22, as amended.

Hold Harmless Agreement

Permission is granted for you to sign hold harmless agreements with yacht clubs, marinas and other authorities where such agreements are necessary and customary. At our discretion, you may be required to provide copies of such agreements to us.

Transfer of Interest

If you sell, transfer, mortgage, pledge, lease, consign, charter or hire out the **watercraft** (or a part or share of it) or this policy, coverage will cease without further notice to you unless such change is accepted by us in writing.

Assignment of Policy

This policy cannot be assigned by you to any other party. Coverage will cease without further notice to you unless such change is accepted by us in writing.

Arrest, Confiscation, Detention

We will not pay for any loss, damage or expenses arising out of the arrest, confiscation or detention of the **watercraft** or its contents by order of any legal authority; however, if this action results from an insured liability, we will pay the cost of any bond required for the **watercraft's** release in the same proportion that our Section II **amount of insurance** bears to the total amount of the bond. The bond amount may not exceed the **amount of insurance** provided by Section II of this policy, nor shall it be in addition to the **amount of insurance** provided in Section II.

Concealment, Misrepresentation or Fraud

This policy will be void from inception:

- a) in case of fraud by you relating to this policy; or
- b) if at anytime, you conceal or misrepresent a material fact concerning:
 - the insurance, prior insurance coverage, losses, claims, or **occurrences** that could give rise to a loss;
 - the property insured;
 - your interest in the property insured; and
 - previous, current and future use of the **watercraft**.

Authorized operators

Unless otherwise named on the Coverage Summary Page(s), only persons aged 16 and over who have a Pleasure Craft Operator Card are authorized, with your permission, to operate your **watercraft**.

Support of Claim

You must support any claim by:

- a) producing the property or its remains, for our examination;
- b) producing records to verify the claim and its amount; and
- c) permitting copies of records to be made.

Duplicate coverage

If a loss is covered under more than one part of this policy, we will pay you under the part giving you the most coverage, but not under more than one part. In no event will we make duplicate payments.

In Case of Death

In the event of your death, we cover your legal representative or any person having proper temporary custody of your **watercraft** until a legal representative is appointed and qualified. We will also cover any member of your household who is an **Insured** at the time of your death.

Action Against Us

No suit may be brought against us:

1. until you have fully complied with all the terms of this Coverage, nor until the amount of your obligation to pay has been finally determined, either by a judgment against you or by an agreement which has our consent;

2. more than one year after either the date of an agreement which has our consent or of the final determination of the action against you, including appeals, if any.

Liberalization Clause

If we broaden coverage while the Policy is in effect, you will receive the benefit of the increased coverage at no additional charge.

Policy Period

The effective dates of your policy are shown on Coverage Summary Page(s). Those dates begin at 12:01 a.m. standard time at the mailing addresses shown. Each renewal period shall be for a similar term.

All coverages on this policy apply to **occurrences** that take place during the policy period.

SECTION IV – STATUTORY CONDITIONS

The following General Conditions are only applicable to the provinces of British Columbia, Alberta and Manitoba.

STATUTORY CONDITIONS

Statutory Conditions 1 to 14 inclusive apply as contract terms with respect to insurance on property. Only Statutory Conditions 1, 3, 4, 5 and 14 apply as contract terms with respect to Legal Liability, Voluntary Medical Payments and Voluntary Compensation for Damages to Property of others.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of interest

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

4. Material change in risk

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

5. Termination of insurance

- (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

6. Requirements after loss

- (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

8. Who may give notice and proof

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

9. Salvage

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, control, abandonment

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In case of disagreement

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

12. When loss payable

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

13. Repair or replacement

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

The following General Conditions are only applicable to the territories of Northwest Territory, Nunavut and Yukon.

STATUTORY CONDITIONS

Statutory Conditions 1 to 15 inclusive apply as contract terms with respect to insurance on property. Only Statutory Conditions 1, 3, 4, 5 and 15 apply as contract terms with respect to Legal Liability, Voluntary Medical Payments and Voluntary Compensation for Damages to Property of others.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property Of Others

Unless otherwise specifically stated in the contract, the insurer is not liable for loss or damage to property owned by any person other than the insured, unless the interest of the insured therein is stated in the contract.

3. Change Of Interest

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy Act* or change of title by succession, by operation of law, or by death.

4. Material Change

Any change material to the risk and within the control and knowledge of the insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the insurer or its local agent, and the insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the insurer an additional premium, and in default of such a payment the contract is no longer in force and the insurer shall return the unearned portion, if any, of the premium paid.

5. Termination

- (1) This contract may be terminated:
 - a) by the insurer giving to the insured fifteen days notice of termination by registered mail or five days written notice of termination personally delivered;
 - b) by the insured at any time on request;
- (2) Where this contract is terminated by the insurer:
 - a) the insurer shall refund the excess of premium actually paid by the insured over pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable, the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (a) of sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Requirements After Loss

- (1) Upon the occurrence of any loss of or damage to the insured property, the insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - a) forthwith give notice thereof in writing to the insurer;
 - b) deliver as soon as practicable to the insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;

- (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes;
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the insured;
 - (iv) showing the amount of other insurances and the names of other insurers;
 - (v) showing the interest of the insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (vii) showing the place where the property insured was at the time of loss;
 - c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of the condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. Fraud

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declarations.

8. Who May Give Notice And Proof

Notice of loss may be given and proof of loss may be made by the agent of the insured named in the contract in case of absence or inability of the insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

9. Salvage

- (1) The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.

10. Entry, Control, Abandonment

After loss or damage to insured property, the insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the insurer is not entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.

11. Appraisal

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The *Insurance Act* before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

- (1) The insurer, instead of making payment, may repair, rebuild or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
- (2) In the event the insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss and shall thereafter proceed with all due diligence to the completion thereof.

14. Action

Every action or proceeding against the insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year* next after the loss or damage occurs.

*Two years in Yukon Territory.

15. Notice

Any written notice to the insurer may be delivered at, or sent by registered mail to the chief agency or head office of the insurer in the Province. Written notice may be given to the insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the insurer. In this condition, the expression "registered" means registered in or outside Canada.