

Personal Watercraft

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 personal watercraft.

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

SECTION III – 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.....	3
DEFINITIONS.....	3
COVERAGE.....	3
EXTENSIONS OF COVERAGE.....	4
TERRITORY.....	4
INSURED PERILS.....	4
LOSS OR DAMAGE NOT INSURED.....	4
BASIS OF CLAIM PAYMENT.....	5
Replacement Cost.....	5
Actual Cash Value.....	5
DEDUCTIBLE.....	5
SECTION II – PERSONAL LIABILITY PROTECTION.....	5
DEFINITIONS.....	5
COVERAGES.....	5
Defence, Settlement, Supplementary Payments.....	6
What You Must Do After An Accident Or Occurrence.....	6
Action Against Us.....	6
Unauthorized Settlements.....	6
VOLUNTARY MEDICAL PAYMENTS.....	7
REMOVAL OF WRECK.....	7
FEDERAL LONGSHOREMEN'S AND HARBOUR WORKER'S COMPENSATION ACT.....	7
What You Must Do After An Accident Or Occurrence.....	7
Action Against Us.....	7
EXCLUSIONS – SECTION II.....	7
Insurance Under More Than One Policy.....	8
SECTION III – CONDITIONS.....	8
Conditions Applicable To The Various Coverages Provided Herein.....	8
STATUTORY CONDITIONS.....	8

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 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 may take legal action against us.

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

DEFINITIONS

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.

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.

Insured means the person(s) named as Insured on the Coverage Summary page 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.

Insured Peril means a cause of loss or damage insured under the coverage form stated on the Coverage Summary page.

Occurrence means a loss to insured property caused by one or more of the insured perils.

We, us or our means the company providing this insurance.

You or your refers to the Insured.

COVERAGE

We insure:

1. the watercraft described on the Coverage Summary page including permanently attached equipment;
2. boating equipment not included in 1. above, including batteries, oars, oarlocks, anchors, boat covers, cushions, life preservers, fire extinguishers, 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;
3. the boat trailer described on the Coverage Summary page.

EXTENSIONS OF COVERAGE**1. Newly Acquired Property**

If you acquire any additional or replacement watercraft, boating equipment and boat trailer, we will automatically insure these under this rider provided you notify us within 30 days. We will not pay more than the amounts(s) of insurance shown on your Coverage Summary page. This extension only applies to newly acquired watercraft of a type already insured under this coverage.

2. Loss of Use

If an insured peril makes your watercraft unfit for use, we will reimburse your expenses to a total of \$500 per occurrence for the rental of a substitute watercraft.

3. Personal Property

We will cover personal property while on board or being carried on or off the insured watercraft up to a limit of \$5,000. Personal property is defined as items of a personal nature not normally required for the operation, use or maintenance of the watercraft.

TERRITORY

You are insured within the territorial limits of Canada and the Continental United States.

INSURED PERILS

We insure against **All Risks** of direct physical loss or damage to the insured property, except as excluded or limited under "Loss or Damage Not Insured".

LOSS OR DAMAGE NOT INSURED

We do not insure loss or damage to any watercraft, boating equipment or boat trailer:

1. caused by wear and tear, deterioration, defect or mechanical breakdown, faulty design, faulty repair, faulty workmanship, rust or corrosion, extremes of temperature, wet or dry rot, fungi or spores, bacteria, electrolysis;
2. caused by vermin, insects or gradual loss or damage by any form of marine life;
3. caused by freezing to the engine or its components unless the engine and its attachments are equipped with a closed loop fresh water cooling system.
4. while it is being repaired or worked on or if the loss is due to electrical currents, except lightning, however, we will insure your loss if a fire or explosion results, but only for the loss due to the fire or explosion;
5. that is used to carry the public for compensation or when rented to others;
6. that is used in any illegal trade or transportation;
7. while being operated in an official race or speed test;
8. illegally acquired by the insured or kept or seized or confiscated by an order of a public authority or as a result of a violation of any law;
9. resulting from any intentional or criminal act or failure to act, by any person insured by this policy or at the direction of any person insured by this policy. However, this exclusion does not apply to any person insured by this policy, but only to the extent of their proportional interest in the lost or damaged property, who:
 - a) has not committed and was not a party to the intentional or criminal act or failure to act; or
 - b) has not abetted or colluded in the intentional or criminal failure to act; or
 - c) has not 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;
10. resulting from your failure to maintain your watercraft in sound condition;
11. due to the intentional or criminal acts of others who borrow or use your watercraft;
12. caused by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
13. 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;
14. caused directly or indirectly by contamination by radioactive material;
15. 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;
16. caused directly or indirectly, in whole or in part, by any cyber incident. 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 any cyber incident results in the occurrence of further loss of or damage 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 or damage. For the purposes of this policy, vandalism and malicious acts do not include a cyber incident;
17. operated by anyone who is not legally authorized to do so under Federal or Provincial laws or regulations;
18. caused by theft, including damage caused by theft or attempted theft, when the personal watercraft is not in use unless it is locked to a secured trailer, or kept in a locked building and there was evidence of forced entry;
19. caused by ingestion damage to the power unit however caused;
20. caused directly or indirectly by any of the following perils, whether or not caused by or attributable to earthquake: flood of any nature, tidal waves, tsunami, high water, or ice;

21. caused directly or indirectly, in whole or in part by any:

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

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

BASIS OF CLAIM PAYMENT

In the event of loss to watercraft, boating equipment, boat trailer or personal property we agree to pay on the basis of replacement cost, up to the amount(s) of insurance shown on your Coverage Summary page.

However, we will not pay more than the Actual Cash Value:

1. if repair or replacement is not effected as soon as reasonably possible, but in no case more than one year after the date of loss;
2. if the watercraft, boating equipment, boat trailer or personal property was no longer used for its originally intended purpose;
3. if the watercraft, boating equipment, boat trailer or personal property was not in working order immediately before the loss or if the watercraft, boating equipment or boat trailer was obsolete;
4. if the watercraft, boating equipment or boat trailer was more than 10 model years old at the beginning of the policy term.

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.

Actual Cash Value means the cost at the time of loss to repair or replace property 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.

DEDUCTIBLE

We will pay only the amount by which any loss or damage caused by an insured peril exceeds the deductible amount is shown on the Coverage Summary page.

Only one deductible will apply per occurrence. If more than one deductible applies to the damaged property, the highest deductible amount will be applied.

All other terms, conditions, provisions, definitions, and exclusions of the policy to which this rider applies remain unchanged.

SECTION II – PERSONAL LIABILITY PROTECTION

DEFINITIONS

Amount of Insurance in this Section has the same meaning as in Section I.

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 in this Section has the same meaning as in Section I.

Legal Liability means responsibility which courts recognize and enforce between persons who sue one another.

Occurrence means an accident to which this coverage applies occurring within the policy period, including continuous or repeated exposure to conditions neither expected nor intended.

Property Damage means:

1. physical damage to, or destruction of, tangible property;
2. loss of use of tangible 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.

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

We or **Us** or **Our** in this Section has the same meaning as in Section I.

You or **Your** in this Section has the same meaning as in Section I. In addition, we will insure:

1. any person while performing duties as your residence employee;
2. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the premises;

COVERAGES

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.

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 arising out of the use, maintenance or operation of the watercraft or trailer described on the Coverage Summary page.

The amount of insurance shown on the Coverage Summary page 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 in relation to your vessel 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 premises 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 fixtures 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 punitive or 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.

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 under Section II;
3. any interest accruing after judgment on that part of the judgment which is within the amount of insurance of Section II.
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;
6. reasonable expenses including actual loss of income up to \$100 per day, 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.

Action Against Us

No suit may be brought against us:

- a) 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;
- b) 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.

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 while in or upon, boarding or leaving the insured vessel. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

The amount of insurance shown on the Coverage Summary page is the maximum amount we will pay for each person in respect of one accident or occurrence.

We will not pay:

- a) expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
- b) your medical expenses or those of persons residing with you, other than residence employees;
- c) medical expenses of any person covered by any Workers' Compensation Statute.

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

REMOVAL OF WRECK

If you are legally obligated to remove or otherwise dispose of the wreck of the insured watercraft, we will pay the amount necessary to attempt or actually to remove or otherwise dispose of the wreck, or the amount for which you are held liable for failing to do so.

FEDERAL LONGSHOREMEN'S AND HARBOUR WORKER'S COMPENSATION ACT

We will cover any compensation payments you are responsible for under the Federal Longshoremen's and Harbour Worker's Compensation Act of the United States, as long as your responsibility arises from the ownership or use of the insured watercraft.

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 including the name and address of each injured person;
 - b) names and addresses of witnesses.
2. 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.

Action Against Us

No suit may be brought against us until you have fully complied with the terms of this Coverage.

EXCLUSIONS – SECTION II

We do not insure claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. 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;
3. business pursuits or any business use of the watercraft or trailer;
4. the rendering or failure to render any professional service;
5. liability imposed upon or assumed by you under any workers' compensation statute;
6. bodily injury or property damage caused by any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person at the direction of any person insured by this policy;
7. 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;
8. 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;
9. the ownership, use or operation of:
 - a) any aircraft, including parasailing;
 - b) premises used as an airport or landing facility;
 and all activities related to either;

10. 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;
11. a) erasure, destruction, corruption, misappropriation, misinterpretation of data,
- b) erroneously 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;

nor do we insure:

12. any claim that arises 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.

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 – CONDITIONS

Conditions Applicable To The Various Coverages Provided Herein

All of the Conditions set out under STATUTORY CONDITIONS in the Policy apply with respect to insurance provided under ALL OTHER FORMS except as they are modified or supplemented by the Forms or Endorsements attached. No term or condition of This Policy shall be deemed to have been waived by us in whole or in part unless the waiver is clearly stated in writing, signed by a person authorized for that purpose. Neither we nor you shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the Investigation or adjustment of any claim under this Policy.

STATUTORY CONDITIONS

(BRITISH COLUMBIA, ALBERTA AND MANITOBA)

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.

STATUTORY CONDITIONS**(YUKON, NORTHWEST TERRITORIES AND NUNAVUT)**

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.