

BOAT OWNER'S POLICY

INSURING AGREEMENT

In return for payment of the premium, we agree to indemnify the Insured named on the Declaration Page for all necessary and reasonable costs incurred from loss by sudden and unexpected occurrences as described and limited in the policy and subject to the terms and conditions set out within the policy. Failure to comply with any term, condition or any breach of warranty may result in the denial of a claim under this policy.

The policy consists of the Declarations page and four sections within the policy

The Declarations Page will show the coverage that you have purchased.

Section A describes coverage for the watercraft and property that you wish to insure.

Section B describes the insurance for your legal liability to others for bodily injury or property damage.

Section C describes the coverage available for medical expenses.

Section D describes the coverage available for the trailer.

Warranties, Additional Conditions and Statutory Conditions follow the four sections.

Subrogation

We will be entitled to assume all of your rights of recovery against others and bring action in your name to enforce these rights when we make a payment or assume liability under this policy.

Your right to recover from us is not affected by a release from liability (hold harmless agreement) entered into by you prior to loss with marinas, yacht clubs and similar authorities where such agreements are necessary and customary.

DEFINITIONS –Applicable to Sections A, B, C & D

“Actual Cash Value” will take into account such things as the cost of the replacement less any depreciation or obsolescence. In determining depreciation, we will consider the condition immediately before the damage, the resale value, and the normal life expectancy.

“Data” means representations of information or concepts, in any form.

“Data Problem” means:

- i) erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
- ii) error in creating, amending, entering, deleting or using "Data"; or
- iii) inability to receive, transmit or use "Data"; or damage to electronic data processing equipment or other related component system, process or device.

“Insured” means person(s) named on the declaration page and, while living in the same household; his or her spouse, the relatives of either or any other person under the age of 21 in their care. “Spouse” includes either of two persons who are not married to each other and have lived together continuously for a period of not less than three years or, in a relationship of some permanence where there is a child born of whom they are the natural or adoptive parents, and have cohabited within the preceding year. This also includes any other person operating the watercraft with prior permission from the named insured. This does not include a paid captain or any paid crew member of the insured watercraft, or any person, firm, corporation or other legal entity or any of their agents or employees operating a shipyard, boat repair facility, marina, yacht club or other similar business.

Only the person named on the Declaration Page may take action against us.

“Navigational Limits”

We will pay for all insured loss or damage that occurs while the insured watercraft is afloat within the Great Lakes (including Georgian Bay) and their tributaries, the St. Lawrence River to Quebec City, the inland waters of Canada as well as the Hudson River to Tarrytown, New York, USA.

“Parasailing” means using your watercraft to tow a person in a device designed for flight.

“Spinnaker Flying” means a special type of sail that is designed specifically for sailing off the wind from a reaching course to a downwind; the spinnaker fills with wind and balloons out in front of the boat when it is deployed, called flying.

“Tender” means any watercraft(s) or dinghy(s) used to transport passengers to and from the watercraft when it is anchored offshore or in conjunction with the main watercraft.

“Trailer” includes the trailer and equipment which is permanently attached to the trailer.

“Watercraft” means the insured boat as described on the Declaration Page and includes machinery inside and outside the hull, spars, sails, tackle, tackle fittings, and equipment permanently attached to the boat.

“We” or **“us”** mean the Company or Insurer providing the insurance.

“You” or **“your”** means the persons(s) named as Insured on the Declaration Page.

DEFINITIONS –Applicable to Section A

“Accessories” means those items of watercraft equipment not permanently attached to a watercraft, motor or trailer and which are normal and customarily used on the watercraft such as (but not limited to) oars and life saving equipment.

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

“Insured Property” means the watercraft, including the power units, accessories and equipment.

“Motor” includes fuel container(s) and electric starting equipment or controls supplied therewith as integral equipment by the manufacturer.

“Personal Property” includes uninsured clothing, personal effects belonging to the named insured and family members while aboard the watercraft or being loaded or unloaded from the watercraft.

“Spores” includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".

COVERAGES OF SECTION A – WATERCRAFT AND EQUIPMENT

Watercraft

We insure against all perils of direct physical loss or damage to watercraft, motors, trailers, accessories and equipment as described in this policy, while afloat or ashore, but subject to the limits, exclusions and conditions of this form. Coverage is limited to the limits of insurance as shown on the Declaration Page of the policy.

Tenders (Dinghy(s)/Outboard Motors)

We further agree to insure tenders (dinghy(s)) and/or outboard motors against all perils of direct physical loss or damage, subject to policy conditions, limitations and exclusions, while being carried on board or being towed by the insured watercraft or used in conjunction with the watercraft, as declared and described on the Declaration Page.

Personal Property

We agree to insure uninsured personal property against all perils of direct physical loss or damage subject to policy conditions and exclusions while on board or being carried on board the watercraft or used in conjunction with the watercraft. Personal Property is included up to a limit of **\$2,500** or as declared on the Declaration Page. Unless

otherwise specified on the Declaration Page, uninsured fishing equipment is also covered, subject to a maximum limit of **\$500**, but not while in use. "Personal Property" does not include: currency, securities, letters of credit, tickets, passports and documents. Nor shall it cover any loss resulting from wear and tear, gradual deterioration, corrosion, inherent vice, changes in temperature, dampness or dryness of atmosphere, mechanical or electrical failure or disturbances unless caused directly by lightning.

Where other coverage for personal property is in effect, the coverage available on this policy becomes excess.

ADDITIONAL COVERAGES OF SECTION A

Emergency Towing

If Emergency Towing Endorsement is included on the Declaration Page then we will pay a maximum of **\$500** per occurrence toward the cost of towing the insured watercraft to the nearest service facility, irrespective of the cause of breakdown. The policy will only reimburse to a maximum of \$500, subject to the presentation of the receipted bills and acceptable evidence of loss.

Land Transportation

We will only cover the insured watercraft within a radius of 1000 kilometres from the location your watercraft is usually laid-up. The watercraft must be transported on a trailer designed for the purpose. Any extended distance must be described in the Declaration Page, if applicable. Coverage applies subject to policy limitation, conditions and exclusions.

In the event of a loss, we will provide up to **\$1,000** for loading and land transportation of the watercraft from the point of the nearest marine facility capable of dealing with the damaged watercraft, from the location where the loss occurred, to an appropriate repair facility. Transportation will be provided subject to the watercraft being shipped via a transport facility suitable to perform the task.

Newly Acquired Watercraft

If you acquire any new or additional watercraft, outboard motor or miscellaneous equipment applicable hereto, while this coverage is in effect, we will automatically insure it, provided you inform us within 30 days of delivery and pay any additional premium required. Under this condition we will not pay more than **25%** of the total limit of insurance presently provided by this policy.

It is specifically understood and agreed, however, that this coverage will cease to cover any such items if they are not reported to us within the said 30 day period. Any loss or damage will not reduce the amounts of insurance provided by this coverage. If, following payment of a claim, you acquire any articles to replace those which were lost or damaged, you must tell us within 30 days of acquisition.

LIMITS OF SECTION A

Under Section A, we will not be liable for loss or damage to moorings, electronic equipment such as television equipment or C.B. radios which are not specifically designed for marine use or permanently built into the watercraft in excess of the amount of coverage stated for personal property.

EXCLUSIONS: SECTION A

PROPERTY EXCLUDED

We do not insure loss or damage for property:

1. which is illegally acquired, kept, stored or transported, or any property seized or confiscated for breach of any law or by order of any civil authority, but this exclusion shall not apply to property seized or confiscated for the purpose of destruction at the time of fire for the prevention of the spread of such fire;
2. which is used for carrying people or property for compensation or which is being chartered, leased or used for any commercial purpose;
3. which is used in any illegal trade or transportation; or
4. while being operated in any race or speed test, this exclusion does not apply to sailboats;
5. arising out of the use of the watercraft for parasailing or spinnaker flying;
6. which is used outside the navigational limits described;
7. to sporting equipment where the loss is due to its use;
8. which is used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the

Schedules of the Controlled Drugs and Substance Act, whether or not the Insured is aware of such use of property.

9. which is normally used as personal property while not aboard the watercraft or where such effects are insured elsewhere.

PERILS EXCLUDED

We do not insure against loss or damage resulting from, contributed to or caused directly or indirectly by:

10. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
11. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
12. contamination or pollution or the release, discharge or dispersal of contaminants or pollutants;
13. wear and tear, scratching, marring, denting, gradual deterioration, rot, rust, corrosion, mould, weathering, electrolysis or galvanic action, blistering, or osmosis;
14. animals insects, termites, birds, moths, vermin (such as skunks and raccoons), rodents (such as mice, squirrels and rats),
or household pets except for resultant fire;
15. faulty design, faulty repair, faulty workmanship, inherent vice, latent defect, the use of improper or defective materials or for the cost of replacing or repairing any defective part of the motor or the watercraft, lack of maintenance or mechanical breakdown;
16. any process of refinishing, renovating, repairing, servicing or maintenance or to any property undergoing the application of heat;
17. electrical currents other than lightning;
18. ice, freezing or extremes of temperature;
19. your intentional or criminal acts or failure to act, by an Insured or an Insured's employee;
20. caused by or resulting from the inability of the operator to maintain proper control of the watercraft while under the influence of intoxicating substances;
21. operator being convicted of an offense under the Criminal Code of Canada relating to the operation, care or control of the watercraft;
22. caused by or resulting from wrongful conversion, secretion, infidelity or other dishonest act or omission of the Insured
23. infidelity of others who borrow or use the insured property;
24. loss or damage resulting from any accident while the insured watercraft is on exhibition or rented to others;
25. theft by any persons to whom you entrust the property other than carriers for hire;
26. mysterious disappearance of equipment and other property not permanently attached to the hull or machinery;
27. transportation of insured vessel outside the radius of 1000 kilometres from the location watercraft is usually laid-up or when being transported on a trailer not suited to carrying watercraft.
28. data; or loss or damage resulting from, contributed to or caused directly or indirectly by a Data Problem(s).
29. terrorism or by any activity or decision of a government agency or other entity to prevent, respond or terminate terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence.

PROVISIONS OF SECTION A

1. Duty of Insured after Loss:

It is the duty of the Insured in the event that any property insured hereunder is damaged or lost to take all reasonable steps to recover such property or to protect such property from further damage. The Company shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interest of the parties.

2. Notice to Authorities:

Where loss is claimed to be due to fire, theft, collision, burglary, robbery, vandalism, malicious acts or damage to the watercraft, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

3. No Benefit to Bailee:

It is warranted by the Insured that this insurance does not apply directly or indirectly to the benefit of any carrier or other bailee.

4. Reinstatement:

In the event of a loss payment under any Section of this policy the premium applicable to the amount of such loss payment shall be deemed to be earned for the full term of the policy and the reduction in the amount insured under

any Section of this policy, due to the loss or losses shall reduce the amount insured under all Sections of the policy, on the item affected. The reduction shall be automatically reinstated to the value of the repairs or replacement as they are affected. The maximum reinstatement will be the amount of the reduction. A reinstatement premium shall be payable upon demand.

5. Subrogation:

The Company, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Company and the Insured in the proportion in which the loss or damage has been borne by them respectively.

6. Other Insurance:

(a) The Company shall not be liable hereunder for more than the proportion of any loss or damage which the amount of this policy bears to the total of Fire Insurance under all contracts attaching, irrespective of whether such other contracts provide for other perils. If this policy covers two or more items this clause shall apply separately to each item.

(b) If the insured has at the date of this policy any other insurance on property covered hereby which is not disclosed to the Company, or hereafter affects any other insurance thereon without the written consent of the Company, this policy shall be void.

7. Non Waiver:

The Company shall deem no Exclusion, Definition or Provision of this policy to be waived by the Company in whole or in part unless the waiver is clearly expressed in writing, signed by a person authorized for that purpose. Neither the Company nor the Insured 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.

8. Repair:

If the hull of the watercraft is made of plywood, plastic or fibreglass, or other material of similar nature, it is understood and agreed that in the event of damage caused by a peril insured against, the Company shall only be liable for repairs made by applying suitable patches, in accordance with the manufacturer's specifications or good repair practices.

9. Lay Up:

The watercraft is to be laid-up for the period of November 1st to April 1st unless shown otherwise on the Declaration Page and it must be laid up ashore and may not be used for living on board.

10. Navigational Limits:

We will pay for all insured loss or damage that occurs while the insured watercraft is afloat within the Great Lakes (including Georgian Bay) and their tributaries, the St. Lawrence River to Quebec City, the inland waters of Canada as well as the Hudson River to Tarrytown, New York, USA.

11. Inspection of Damage

The insured shall permit the insurer at all reasonable times to inspect the watercraft and its' equipment. We reserve the right to inspect the insured property prior to any repairs being authorized.

BASIS OF CLAIM PAYMENT SECTION A

We agree to indemnify the insured named in the declaration and pay all necessary and reasonable costs to repair the insured property for loss or damage covered by this policy.

Our liability in the event of a loss will be the least of the following:

Actual cash value of the property at the time of loss, destruction or damage or;

The interest of the insured in the property or;

The applicable limit of insurance on the declaration page(s) for each item, subject to any pro rata division for the specified policy period and subject always to the condition that we are liable only under the section(s) or coverage(s) as indicated on each item as scheduled on the declaration page(s) of this policy.

Waiver of depreciation on Partial Losses

In the event of an insured partial loss;

- i. On property or items of less than 12 years of age; and

- ii. Where the applicable limit of insurance is equal to a minimum of 90% of the actual cash value of the property or item sustaining the loss

We agree to pay:

All necessary and reasonable costs to repair the damage or replace the lost property without deduction for depreciation. If the total costs of the repairs or item replacement exceed the actual cash value of the complete watercraft, our liability will not exceed the limits as outlined in original basis of claim payment section A above.

All sails, protective canvass covers or other similar materials which are three years old or less will be settled on the basis of full replacement cost with no depreciation, otherwise any claim shall be settled on the basis of actual cash value.

For "tenders/dinghy(s)" and auxiliary outboard motors less than five (5) years of age, full replacement cost subject to policy limitations will apply. For all "tenders" and auxiliary outboard motors five years and older, claims will be settled on an actual cash value basis, with proper deduction for depreciation and under no circumstances will our liability exceed the declared amount.

Under no circumstances will our liability exceed the amount indicated on the Declaration Page.

We reserve the right to repair or replace the watercraft with materials of similar kind and quality.

Repair Clause

We reserve the right to repair or replace the vessel or any part thereof. Repairs may be made by applying suitable patches to the damaged hull area in accordance with good repair practice. These principles shall also rule in determining whether an insured watercraft is a constructive total loss. Should you have un-repaired damage to your watercraft and later suffer a total loss, whether covered by this policy or not, then we will not pay for the un-repaired damage.

Parts Clause

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

Pairs and Sets Clause

In the case of loss or damage to any article or articles, whether scheduled or unscheduled which are part of a set, we will pay only a reasonable and fair proportion of the total value of the set, and such loss or damage will not be understood to mean total loss of the set.

Deductible Clause

In any one occurrence, we are liable only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the Declaration Page.

Full Average Clause

We will not be liable for a greater proportion of any loss than the amount of insurance bears to the actual cash value of the affected item at the time the loss occurs. It is applied separately to each item.

DEFINITIONS –Applicable to Section B

"Bodily injury" means bodily injury, sickness or disease, including death resulting therefrom sustained by any person.

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

"Property Damage" means damage to or destruction of property including loss of use thereof.

"Unidentified Watercraft" means one whose owner or driver cannot be determined.

"Uninsured Watercraft" means neither the owner nor the driver has liability insurance to cover bodily injury or property damage arising out of its ownership, use or operation, or the insurance is not collectible. However, this does not include a watercraft owned by or registered in the name of the insured person or their spouse.

“**Watercraft**” means the insured boat as described on the Declaration Page and includes hull, equipment & motor as well as tender as described on the declarations page.

SECTION B – PROTECTION AND INDEMNITY

Under Section B, we will pay all sums that you become legally liable to pay as compensatory damages because of bodily injury or property damage arising out of the ownership, operation of, maintenance or use of the described watercraft, tenders/dinghies and/or motors described while in the defined navigational limits. We will pay up to the limit of liability as stated on the declaration page for any one occurrence.

1. Bodily Injury and Property Damage Liability

To pay on behalf of the Insured all sums which the Insured shall become obligated to pay by reason of the liability imposed by law upon the insured, or the liability of others assumed by the Insured under any written agreement relating to the ownership, maintenance or use for pleasure purposes of the watercraft and/or motors described, for damages, including damages for care and loss of service, because of bodily injury or property damage. We will pay up to the limit of liability as stated on the declaration page for any one occurrence.

2. Medical Payments

To pay covered medical expenses subject to limitations and exclusions of the policy and declarations which are not covered by any other health plan or medical insurance for loss sustained by any person not hereinafter excluded by reason of the payment by or on behalf of such person of reasonable; medical, surgical, ambulance, hospital, professional, nursing and funeral expense, resulting from bodily injury caused by an accident to such person as a result of operating, being carried in or upon or getting onto, or alighting from a watercraft described, and incurred within one year of the date of the accident.

3. Uninsured and Unidentified Watercraft

If an amount is shown on the Declarations Page for “Uninsured and Unidentified Watercraft” we will pay up to that amount for damages, which, because of bodily injury received aboard your Insured Watercraft, you are legally entitled to recover from the Uninsured or Unidentified Watercraft.

We do not provide Uninsured or Unidentified Watercraft coverage:

- (i) for claims settled without our written consent;
- (ii) if the Uninsured or Unidentified Watercraft is owned or operated by a government body or agency or employee or any contractor/subcontractor of any government body or agency or employee of such contractor/subcontractor;
- (iii) for watercraft owned by or furnished for regular use by any one falling under the definition of an “Insured” person for the purposes of this policy;
- (iv) for anyone using the Insured Property without the consent of the Insured.

This coverage will not apply directly or indirectly to the benefit of any Insurer under any provincial or federal compensation law or act.

A person entitled to claim compensation for the bodily injury or death of an insured person must:

- (1) give us written notice of the claim within 30 days of the accident or, if unable as soon as possible after that;
- (2) if an unidentified watercraft causes bodily injury or death to an insured person, the insured person or their representative must report the accident within 24 hours, or if unable, as soon as possible after that, to a police officer or similar authority;
- (3) provide us with as much evidence as possible in support of the claim, giving details of the accident and the resulting loss. This should be done within 90 days of the accident or, if unable, as soon as possible after that;
- (4) provide us with a certificate from the medical or psychological advisor of the insured person if we request it. The certificate must state the cause of injury or death and, if appropriate, the nature of the injury and how long any disability is expected to last;
- (5) provide us with details of any other insurance policy, other than a life insurance policy, under which there is a right to compensation.

Payment under this coverage shall be reduced by:

- (a) all sums paid by or on behalf of those legally responsible;
- (b) all sums paid by any provincial or federal compensation law or act;
- (c) all sums paid under the Liability or Medical Payments coverage of this policy.

4. U.S.A. Longshoremen's and Harbor Workers' Compensation

This coverage is in force only when the insured vessel is being operated within U.S.A. territorial waters and/or within U.S.A. jurisdiction in accordance with policy navigating limits and conditions. We will cover you as the owner of an insured boat for liability you incur under the U.S.A. Federal Longshoremen's and Harbor Workers' Compensation Act (being Public Act No.803 of the 69th Congress of the United States of America approved March 4th, 1927 and all laws amendatory or supplementary to which may be or become effective while this Section of the policy is in force) up to the applicable statutory limits while this policy is in effect. It is understood and agreed that this insurance covers the liability under said Act, but in no case does this insurance extend beyond the provisions of said Act.

5. Removal of the Wreck

If you are legally obligated to remove or otherwise dispose of the wreck of the insured vessel, we will contribute to the amount necessary to attempt or actually remove or otherwise dispose of the wreck, or the amount for which you are held liable for failing to do so. The most we will be liable for is **100%** of the actual cash value of the watercraft, but not exceeding the policy limit.

The amount on the Declaration Page is the maximum we will pay, regardless of the number of Insured Persons, claims made, or boats, involved in any one accident, or series of accidents arising out of the same event.

LIMITS OF SECTION B

We will pay up to the limit of liability as stated on the declarations page for any one occurrence. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. Our duty to settle or defend ends when the limit of liability is exhausted.

- (a) Under Coverages B1, B2, and B4, the limit stated on the Declaration Page is the limit of the Company's liability for all damages including damages for care and loss of service, in respect of any one occurrence, exclusive of interest and costs;
- (b) Under Coverage B3, **\$10,000** is the limit of the Company's liability for all expenses incurred by or on behalf of any one person for loss sustained due to the negligence of the operator of an Uninsured or Unidentified Watercraft.
- (c) Under coverage B5, the limit is 100% of the Actual Cash Value of the watercraft, but not exceeding the policy limit.

The inclusion herein of more than one Insured shall not operate to increase the limits of the Company's liability.

ADDITIONAL AGREEMENTS OF SECTION B

Defence, Settlement, Supplementary Payments: With respect to such insurance as afforded by this Policy under Coverage B1 and B2, the Company shall:

- (a) defend any suit against an Insured alleging such bodily injury or property damage and seeking damages on account thereof, even if such suit is groundless, false or fraudulent; but the Company may make such investigation, negotiation and settlement of any claim or suit as it deems expedient;
- (b) pay in addition to the applicable limits of liability:
 - (i) all expenses incurred by the Company, all costs taxed against an Insured in any such suit and any interest accruing after entry of judgment (or in those jurisdictions where interest accrues from the date of action, any interest accruing from such date) upon that part of the judgment which is within the limit(s) of the Company's liability;
 - (ii) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this Coverage B, but without any obligation to apply for or furnish any such bonds;
 - (iii) expenses incurred by an Insured for such immediate medical and surgical relief to others as shall be imperative at the time of the accident;
 - (iv) all reasonable expenses, other than loss of earnings, incurred by an Insured at the Company's request;
- (c) cover the use or operation by an Insured of watercraft which is not owned by the Insured;
- (d) cover watercraft acquired by an Insured during the period this policy is in force which is declared to the Company within 30 days of acquisition and endorsed hereon;

EXCLUSIONS: SECTION B

We do not insure claims made against you arising from:

- (1) liability imposed upon or assumed by an Insured under any Worker's Compensation Statute except, however, claims arising out of legal liability imposed upon the Insured by Common Law as amended by such Statute;
- (2) (a) bodily injury or property damage caused intentionally by or at the direction of an Insured;
(b) bodily injury to any Insured, any person residing on the watercraft other than an employee whose duties are not incidental to any business pursuits of the Insured or any person to or for whom benefits are payable under any Worker's Compensation Statute or Longshoreman's and Harbour Workers' Compensation Laws because of such bodily injury;
- (3) property damage to:
 - (a) property owned, used or occupied by or leased to an Insured; or
 - (b) any property in the care, custody or control of an Insured; or
 - (c) any personal property or any fixtures as a result of any work performed thereon, by an Insured or anyone on their behalf;
- (4) liability assumed by an Insured under contract except customary hold harmless agreements required by yacht clubs or marinas, or liability that would attach in the absence of such contract;
- (5) those portions of such expenses payable or recoverable under any medical, dental, surgical or hospitalization plan or law or under any other Insurance Policy or Certificate issued to, or for the benefit of, any person for whom indemnity is provided;
- (6) bodily injury or property damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not); civil war, rebellion, revolution, insurrection or military power;
- (7) bodily injury or property damage with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other group or pool of Companies or would be an Insured under any such Policy but for its termination upon exhaustion of its limit of liability;
- (8) bodily injury arising out of passage of a Communicable Disease from an insured to another person;
- (9) the insured watercraft while on exhibition, being rented to others, being used to carry persons or property for a fee or used for other commercial purposes;
- (10) the insured watercraft being used for parasailing or spinnaker flying;
- (11) participation in any race or speed contest, this exclusion does not apply to sailboats;
- (12) property used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not the Insured is aware of such use of property;
- (13) contamination or pollution or the release, discharge or dispersal of contaminants or pollutants;
- (14) your intentional or criminal acts or failure to act, by an Insured or an Insured's employee;
- (15) data; or loss or damage resulting from, contributed to or caused directly or indirectly by a Data Problem(s).
- (16) terrorism or by any activity or decision of a government agency or other entity to prevent, respond or terminate Terrorism.
Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence.
- (17) uninsured or Unidentified Watercraft coverage, for claims settled without our written consent; if the Uninsured or Unidentified Watercraft is owned or operated by a government body or agency or employee or any contractor/subcontractor of any government body or agency or employee of such contractor/subcontractor; for watercraft owned by or furnished for regular use by any one falling under the definition of an "Insured" person for the purposes of this policy; or anyone using the Insured Property without the consent of the Insured;
- (18) the insured watercraft while outside the defined navigational limits.

PROVISIONS OF SECTION B

1. Notice of Accident or Occurrence

When an accident or occurrence takes place written notice shall be given by or on behalf of the Insured to the Company or any of its' authorized agents as soon as practicable. Such notice shall contain particulars sufficient to

identify the Insured and also, reasonable obtainable information with respect to the time, place and circumstances of the accident or occurrence, the names and addresses of the injured and of available witnesses.

2. Notice of Claim or Suit - Coverage B (1)

If claim is made or suit is brought against an Insured, the Insured shall immediately forward to the Company every demand, notice, summons or other process received by him or his representatives.

3. Assistance and Co-operation of the Insured - Coverage B(1)

The Insured shall co-operate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the accident or occurrence.

4. Medical Reports/Proof and Payment of Claim - Coverage B (2)

As soon as practicable the Insured shall arrange for the injured person or someone on his behalf to give to the Company written proof of claim, under oath if required, and at the request of the Company execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to examination by physicians selected by the Company when and as often as the Company may reasonably require. The Company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability.

5. Action Against Company- Coverage B (1)

No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms neither of this Policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.

6. Action Against Company - Coverage B (2)

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms neither of this Policy, nor until 60 days after the required proofs of claim has been filed with the Company.

7. Other Insurance

If, at the time of an accident or occurrence covered by Section B, there is any other insurance which would attach if this insurance had not been affected, the Company under Section B shall be liable only for the excess, if any, of any loss over the applicable limit of the other insurance covering such loss.

SECTION C – MEDICAL PAYMENTS

We will pay reasonable medical expenses up to **\$5,000** in total incurred within one year of the date of an accident if any person is injured or killed while operating, being carried on, boarding or leaving or being towed (except parasailing) by a watercraft insured by this policy provided the watercraft is being operated by you or with your permission.

Medical expenses include surgery, dental, hospital, nursing, ambulance service and funeral expenses, but exclude the following expenses:

1. liability for expenses resulting from bodily injury to or the death of any person while engaged in the business of selling, repairing, servicing, or storing watercraft;
2. liability for those portions of such expenses recoverable under any Workers' Compensation Law or under any medical, surgical or hospitalization plan or law or under any other insurance policy or certificate issued to or for the benefit of any person for whom indemnity is provided under this policy.

The limit of **\$5,000** applies to any one accident regardless of the number of persons injured or killed in the accident. You shall arrange for the injured person, if requested, to:

1. give us, as soon as possible, written proof of claim, under oath if required;
2. submit to physical examination at our expense by doctors we select as often as we may reasonably require;

3. authorize us to obtain medical and other records.

Proofs and authorization may be given by someone acting on behalf of the injured person. You shall not bring suit against us until the amount of our obligation to pay has been finally determined either by Judgment against you or by an agreement which has our consent.

SECTION D- WATERCRAFT TRAILER INSURANCE

This policy, subject to all of its terms and conditions except as otherwise provided in this section, insures the Watercraft Trailer described on the Declaration Page and as defined in Section A of the policy for all risks of direct physical loss subject to policy conditions, limitations and exclusions.

We shall not pay more than the actual cash value of the property at the time any loss or damage occurs and the amount of loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused; and, shall in no event exceed what it would then cost to repair the same with material of like kind and quality.

Deductible Clause

In any one occurrence, we are liable only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the Declaration Page.

WARRANTIES

This section contains warranties that apply to all coverages of the policy. The breach of any Warranty contained in the policy or on the Declaration Page, will void the policy and discharge the insurer from all liability under the policy regardless of whether or not the breach is material to the loss.

1. Pleasure Watercraft Warranty

Your watercraft must be used only for private pleasure purposes.

2. Navigational Limits Warranty

We will pay for all insured loss or damage that occurs while the insured watercraft is afloat within "Navigational Limits" as defined in the policy unless otherwise specified on the Declaration Page.

3. Lay-Up Warranty

You warrant that the insured watercraft will be laid-up ashore from November 1st to April 1st, unless otherwise stated on the Declaration Page.

4. Propane Appliance(s) Warranty

Warranted that no propane refrigerator(s), propane heater(s) or propane furnace(s) propane stove(s) and propane water heater(s) with a pilot light is, or will be, installed on board the insured watercraft during the term of this policy.

5. Qualified Operators Warranty

It is hereby warranted and agreed that all operators must be in compliance with all government regulations and licensing requirements.

ADDITIONAL CONDITIONS

This section contains conditions that apply to all sections of this policy.

1. POLICY PERIOD:

This policy applies only to losses, which occur during the policy period stated on the Declaration Page.

2. TERRITORY:

This policy applies only to losses which occur while the watercraft is afloat within the geographical limits of this policy unless otherwise provided.

3. CHANGES:

This policy and the application submitted for insurance contains all the agreements between "you" and "us". No changes may be effected unless they are in writing and signed by "us".

4. TRANSFER OF INTEREST:

If you sell, transfer, mortgage, or pledge your watercraft or this policy, all coverage's herein will cease without further notice to you unless we accept such change in writing.

5. SEVERABILITY CLAUSE:

If any clause, word, phrase, provision or portion of this Policy is found to be unenforceable or invalid for any reason whatsoever, by any court of competent jurisdiction or by any arbitration panel, such determination shall not affect any other clauses, word, phrase, provision or portion of this Policy, and each shall remain in full force and effect.

6. RIGHT TO RECOVERY:

If we make a payment under this policy and the person to, or for whom, payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do whatever is necessary to enable us to exercise our rights and do nothing to prejudice them.

7. REINSTATEMENT:

The amount insured will not change following a loss if:

- (1) We repair or replace the property;
- (2) You replace the property and advise us full details within fifteen (15) days.

However, if you accept a cash settlement, and do not replace the property, then the amount insured will be reduced by the amount of the claim payment or the amount insured on the property deleted.

8. NOTICE TO AUTHORITIES:

Where loss is claimed to be due to fire, theft, collision, burglary, robbery, vandalism, malicious acts or injury to the watercraft, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

9. LEGAL ACTION AGAINST US:

No legal action may be brought against us unless:

- (a) There has been full compliance with all the provisions of this policy, and;
- (b) The action is started within one year after the loss.

If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do whatever is necessary to enable us to exercise our rights and do nothing to prejudice them.

10. SUBMISSION OF CLAIM:

We will not pay for any claim presented after one year from the date the loss or damage occurs.

11. PREMIUMS EARNED:

If payment is made for a total loss or constructive total loss then all premiums are deemed to be earned on the date of loss.

CONDITIONS REQUIRED BY LAW

With respect to Section B-Protection and Indemnity, Statutory Conditions 1, 3, 4, 5 and 15 only apply. Otherwise, all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms or Endorsements attached.

STATUTORY CONDITIONS

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 (Canada) 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 the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such 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 the proportionate premium for the expired time, but, in no event, shall the proportionate 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 (1) (a) 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 wilful 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 (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. FRAUD

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

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 proportionately towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub condition (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 that 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 a claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

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.