

Form #MOTO-1 - Physical Damage Insurance for Motorcycles

(Rev. 3 March 2018)

INSURING AGREEMENT

We provide the insurance described in this policy in return for payment of the premium, based on the information provided in the application form, and subject to the terms and conditions set out. Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses incurred by you. All amounts of insurance, premiums and other amounts expressed in this policy are in Canadian Currency. The Declarations form and integral part of this policy and summarize the coverage you have selected and the premium and limits that apply to them. Among other things, the Declarations Page identify the policy holder and the policy term.

DEFINITIONS

"You" and "your" means the person(s) named as Insured on the Declarations Page.

"We" and "us" means the insurer providing the insurance as stated on the Declarations Page.

"Material Fact" means that if the true facts had been known to us pursuant to a policy requirement or other requirement, we in good faith would not have issued the policy, would not have issued it at the same premium rate, would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss.

"Motorcycle" means the motorcycle(s) described in the Declarations Page, including any permanently attached equipment or accessories.

"Riding Gear" means gear that you wear during the course of riding for protection, including helmet, gloves, riding apparel, and boots.

"Actual Cash Value" will take into account such things as the cost of the replacement less any depreciation or obsolescence, and in determining depreciation, the condition immediately before the damage, the resale value, and the normal life expectancy

LIMITS

The limits of insurance for the Motorcycle, Trailer, and Riding Gear, are shown on the Declarations Page of the policy.

INSURED PERILS – All Risk

You are insured against All Risk of direct physical loss or damage to the motorcycle, riding gear and trailer, from any external cause except:

- a) Loss or damage as a result of your dishonest or willful act;
- b) Mechanical breakdown, latent defect, wear and tear, gradual deterioration, corrosion, freezing, extreme of temperature, mould, insects, vermin, inherent vice, expansion, contraction, bulging, cracking, unless loss of or damage by fire or explosion ensues and then only for the loss or damage resulting from such ensuing fire or explosion;
- c) The cost of making good faulty workmanship, construction or design;
- d) Loss or damage to electrical devices caused by electrical current other than lightning, unless loss of or damage by fire or explosion ensues and then only for the loss or damage resulting from such ensuing fire or explosion;
- e) Loss or damage resulting from conversion, embezzlement or by theft by any person in lawful possession of the unit under a mortgage, conditional sale, lease or any other similar written agreement;
- f) Loss or damage resulting from a voluntary transfer of title or ownership, whether or not induced to do so by any fraudulent scheme, trick or false pretense;
- g) Loss or damage caused by contamination by radioactive material;
- h) Loss or damage resulting from the use or operation of the motorcycle in any official race, hill climb or speed test; or for any business or commercial purpose.
- i) We will not be liable for loss, damage or expense caused by, contributed by, or as a result of the consumption of alcohol in any form or any other substance which impairs the operator of the Motorcycle.

PROPERTY EXCLUDED

We do not insure:

- a) motorized vehicles (except the described Motorcycle and Riding Gear) or personal property of the Insured or others;
- b) property pertaining to a business, profession or occupation;
- c) property rented or used for compensation for hire;
- d) property illegally acquired, kept, stored or transported;
- e) property seized or confiscated for breach of law or by order of 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; or property while waterborne except while on a regular ferry or railway car transfer in connection with land transportation.

DEDUCTIBLE CLAUSE – Motorcycle, Trailer, and Riding Gear

We are liable only for the amount by which the loss or damage caused by any of the perils insured against under the policy exceeds the amount of deductible stipulated on the Declaration Page. This deductible clause is not applicable in the event of a total loss.

BASIS OF CLAIM PAYMENT - Motorcycle

For total losses we will pay the limit of insurance listed on the Declaration Page. We will pay that limit, if the reasonable expense of recovering and repairing the Motorcycle equals or exceeds the amount stated on the Declaration Page.

In the event of partial losses we will reimburse you based on the reasonable cost of repairs actually incurred, however deduction for depreciation will be applied to batteries and tires.

If the damage to the insured motorcycle or its equipment is not repaired:

- a) we will not be liable for more than the actual cash value of the damaged parts. That value will not exceed what it would cost to repair the damaged property with material of like kind and quality;
- b) we will not pay for unrepaired damage in addition to a payment for a subsequent total loss of the Motorcycle and its equipment;
- c) we will not be liable for any unrepaired damage that amounts to more than the limit of insurance shown for your Motorcycle at the time this insurance terminates.

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

We reserve the right to repair or replace the motorcycle.

BASIS OF CLAIM PAYMENT – Trailer and Riding Gear

This policy may include coverage for your trailer and riding gear. This policy will pay the lesser of the limit of insurance shown on the Declarations Page or the Actual Cash Value of the item at the time of the loss.

The trailer must be used exclusively to transport the motorcycle listed on the Declarations Page or a trailer towed by the insured motorcycle.

EXTENSIONS OF COVERAGE**Lock Rekeying**

We agree to reimburse you for the cost of rekeying or replacing the locks on the Motorcycle if the keys are stolen. This Extension of Coverage is subject to a maximum limit of \$1,000. This coverage extension is provided on a reimbursement basis. You must present valid receipts from a business for reimbursement to be made. Deductible will not apply to this coverage extension.

Reward Coverage

We will pay up to \$500 to any individual or organization, other than those defined as you or your, for information leading to the conviction of any person(s) for arson, robbery, theft or burglary causing loss or damage to motorcycle. Deductible will not apply to this coverage extension.

Emergency Roadside Service

We will pay for towing and emergency service expense necessary due to the disablement of the Motorcycle up to \$100 for any one occurrence and a maximum of \$200 in any one policy period. You are not covered for the costs of parts, supplies, gasoline, oil, and the like. This coverage applies only as excess if you have any other valid and collectible coverage.

This coverage extension is provided on a reimbursement basis. You must present valid receipts from a business for reimbursement to be made.

Deductible will not apply to this coverage extension.

Emergency Vacation Expense

In the event you are involved in a motorcycle accident, or if your motorcycle is stolen while you are travelling away from your home (outside your city of residence) we will pay the following:

- i) the cost of delivering your damaged motorcycle back home for repairs, or delivery of the recovered motorcycle back home to a maximum of \$750.
- ii) the cost of additional living expenses (lodging, meals, transportation and phone calls) incurred because of damage to, or theft of your motorcycle, subject to a maximum of \$750,
- iii) the cost of travel expenses to return home using the most direct route, or the cost of a rental vehicle, to a maximum of \$750.

This coverage extension is provided on a reimbursement basis. You must present valid receipts from a business for reimbursement to be made.

Deductible will not apply to this coverage extension.

ADDITIONAL CONDITIONS**Termination of Policy by the Insured**

Where this contract is terminated by the Insured, the premium is minimum and fully retained and no premium will be refunded, unless the motorcycle is sold to a Third party, in which case the excess of premium actually paid over the earned premium will be refunded. The earned premium will be calculated using a seasonal factor (75% of the premium is earned between the period of May 1st and September 30th). The refund may be made by money, postal or express company money order, or by cheque payable at par.

Notice to Authorities

Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice to the police or other authorities having jurisdiction.

No Benefit to Bailee

It is warranted by the Insured that this insurance shall in no way ensure directly or indirectly to the benefit of any carrier or other bailee.

Repair Clause

We reserve the right to repair or replace the motorcycle or any part thereof. Repairs may be made in accordance with good repair practice.

Pair and Set

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

Parts

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

Sue and Labour

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

Basis of Settlement

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the 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 or replace the same with material of like kind and quality.

Subrogation

The Insurer, 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 Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

General Condition –Waiver

This condition applies to all Sections of this policy.

We shall not be deemed to have waived any term or condition of this policy in whole or in part, unless our waiver is clearly stated and in writing, and is signed by a person authorized to do so. In addition, neither we nor you may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under the policy.

General Condition – Examination Under Oath

In the event of a loss, each of you is required, after submission of the Proof of Loss, to submit to examination under oath and produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss and you shall permit extracts and copies thereof to be made, all at such reasonable place and time as is designated by the insurer or its representative.

SPECIAL CONDITIONS**Territorial Limits**

This policy insures only within the territorial limits of Canada and the Continental United States of America or while in transit between points therein.

Ownership and Use of Property Insured

The Property insured may be owned by the Insured or in his custody or control and for which he is legally liable, it is a condition of this policy that the property insured is used solely for private pleasure purposes and will not be used as a permanent residence or rented to others.

Loss Clause

The amount of insurance provided by this policy shall not be reduced as a consequence of loss payment except in the event of a total or constructive total loss under this policy in which event the total premium of the policy shall be deemed to be earned in full.

Subrogation

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

Insurance Under More Than One Policy

If you have other insurance on specifically described property, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, we will pay our rateable proportion of the loss or claim under this policy.

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING STIPULATIONS AND CONDITIONS WHICH ARE HEREBY SPECIALLY REFERRED TO AND MADE A PART OF THIS POLICY, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or conditions of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing, signed by a person authorized for that purpose by the Insurer. Neither the Insurer 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 the policy.