

**Form #OFFRD-1 (Rev. February 6, 2019)**  
**Insurance for Off-Road Vehicles (A.T.V., Off-Road Motorcycles and Snowmobiles)**

**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 is designed to indemnify you against actual losses incurred by you or for which you are liable. The Declarations form an 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 identifies 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.

“Unit” means the Snowmobile, All Terrain Vehicle (ATV) or Off-Road Motorcycle described on the Declarations Page, including any permanently attached equipment or accessories. This does not include dune buggies or three wheel ATVs.

“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.

“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.

“Trailer” means the trailer described on the Declarations Page and used solely for the transportation of the unit.

“Truck Deck” means equipment used to lift or carry the Unit on a truck for transportation purposes.

**LIMITS**

The limits of insurance for the Unit, Trailer, Truck Deck, and Riding Gear, are shown on the Declarations Page.

**SECTION I – PROPERTY COVERAGE**

**INSURED PERILS**

**A. If SPECIFIED PERILS** is indicated on the Declarations Page, you are insured against direct physical loss or damage to the unit, trailer, or riding gear, which is caused by the following perils:

- a) Fire, lightning or smoke;
- b) Windstorm, tornado, hail, or cyclone;
- c) Earthquake;
- d) Flood;
- e) Explosion;
- f) Impact from aircraft or articles dropped therefrom;
- g) Collision, upset, overturn, or derailment of the transporting land conveyance;
- h) Stranding, sinking, burning, or collision while being transported upon any regular ferry;
- i) Theft or attempted theft;
- j) Riot, vandalism, or malicious acts.

**B. If ALL RISK** is indicated on the Declarations Page, you are insured against All Risk of direct physical loss or damage to the unit, trailer, or riding gear, from any external cause except as provided herein:

**EXCLUSIONS:** the following exclusions are applicable to both **SPECIFIED PERILS** and **ALL RISK**:

We will not be liable for:

- 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, or explosion within the combustion chamber;
- 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;

## PROPERTY EXCLUDED

Applicable to both **Specified Perils** and **All Risk**. We do not insure:

- a) motorized vehicles (except the described unit or trailer) or personal property of the Insured or others;
- b) property pertaining to a farm, 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
- f) property while waterborne except while on a regular ferry or railway car transfer in connection with land transportation.

## DEDUCTIBLE CLAUSE – UNIT – A.T.V., Off-Road Motorcycle, or Snowmobile

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 Declarations Page. This deductible clause is not applicable in the event of a total loss of the Unit.

## DEDUCTIBLE CLAUSE – UNIT – Riding Gear, Trailer or Truck Deck

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 \$250. This deductible clause is not applicable in the event of a total loss of the Unit.

## BASIS OF CLAIM PAYMENT

For total losses we will pay the amount of insurance shown on the Declarations Page for your Unit, Riding Gear, Trailer or Truck Deck. We will pay that amount, if the reasonable expense of recovering and repairing the Unit, Riding Gear, Trailer or Truck Deck equals or exceeds the amount stated on the Declarations Page. In the event of a partial loss, we will reimburse you based on the reasonable cost of repairs actually incurred. We will pay losses without any deduction for depreciation, however deduction for depreciation will be applied to batteries and tires.

If the damage to the insured unit or its equipment, Riding Gear, Trailer or Truck Deck 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 unit 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 unit at the time this insurance terminates.

Under no circumstances will our liability exceed the limit indicated on the Declarations Page. We reserve the right to repair or replace the unit, or any part thereof. Repairs may be made in accordance with good repair practice.

In the case of loss of or damage to any items, which are a part of a set, the measure of loss of or damage to such items 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.

In the case of loss or damage to any part of the insured property, 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.

## EXTENSIONS OF COVERAGE

In addition to the insurance provided under Section I - Property Coverage, your policy provides the following Extensions of Coverage, subject to the terms and conditions set out. These coverages are applicable only if a limit is shown for the Unit on the Declarations Page.

### Lock Rekeying

We agree to reimburse you for the cost of rekeying or replacing the locks on your unit 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 \$1,000 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 the unit or trailer. Deductible will not apply to this coverage extension.

### Emergency Vacation Expense & Loss of Use

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

1. the cost of delivering your unit or trailer back home for repairs, or delivery of the recovered unit or trailer back to your residence to a maximum of \$1,000;
2. the cost of additional living expenses (lodging, meals, transportation and phone calls) incurred by you and your immediate family as a result of damage to or theft of your unit, to a maximum of \$1,000;
3. the costs incurred to rent a substitute unit, not exceeding \$50 per day nor totaling more than maximum limit of \$1,000;
4. travel expenses you and your immediate family incur to return home using the most direct route, or the cost of a rental vehicle, to a maximum 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.

### Safety / Maintenance Equipment

We will pay up to \$250 for safety and maintenance equipment as described below. This limit may be increased for an additional premium.

Safety Equipment is limited to:

- 1) one first aid kit;
- 2) one fire extinguisher;
- 3) one flashlight;
- 4) six warning flares;
- 5) two warning cones, flags or reflectors.

Maintenance Equipment is limited to:

- 1) one set of booster cables;
- 2) one wheel wrench;
- 3) a vehicle tarp cover;
- 4) a dedicated tool kit;
- 5) four snow chains;
- 6) a towing cable.

We will pay for the loss, damage or destruction of the item for an amount not exceeding whichever is the least of:

- a) the actual cash value of the property at the time of loss, damage or destruction;
- b) your financial interest in the property; or
- c) \$250, or the applicable amount of insurance stated in the Declarations Page, whichever is greater.

All losses will be subject to deductible of \$250.

### Newly Acquired, Temporary Substitute & Other Units

Coverage is provided for a unit, the ownership of which is newly acquired by the Insured during the policy term for which the insured has no other valid insurance and which is the same type as the unit described on the Declarations Page, if we insure (in respect of the section or subsection of the Insuring Agreements under which claim is made) all off-road vehicle units owned by you upon delivery of the new unit, or if the new unit replaces the unit described on the Declarations Page. Coverage is provided for a period of up to fourteen calendar days (or until the policy expiry if less than fourteen days) from the date of delivery of the unit to the insured, after which coverage expires unless we agree in writing to continue coverage and the insured pays any additional premium required. All limits will remain as per the existing Declarations Page, and in no event will our liability exceed the purchase price of the newly acquired unit. This extension of coverage is subject to all other policy terms and conditions and will not apply if the insured is engaged in the business of selling vehicles.

Coverage is provided for a unit which is not owned by the Insured, nor owned by any person or persons residing in the same dwelling or premises as the Insured, while temporarily used as the substitute for the described unit which is not in use by any person insured by this policy, because of its breakdown, repair, servicing, loss, destruction or sale.

If we insure all your off-road units, coverage is also provided for any unit other than the described unit, while personally driven by the Insured, or by his or her spouse if residing in the same dwelling premises as the insured, provided that:

- a) The described unit is of the same type that is insured under this policy;
- b) The insured is an individual or married couple;
- c) Neither the insured nor his or her spouse is driving such vehicle in connection with the business of selling, repairing, maintaining, servicing, storing or parking vehicles;
- d) Such other vehicle is not owned or regularly or frequently used by the Insured or by any person or persons residing in the same dwelling premises as the insured;
- e) Such other vehicle is not owned, hired or leased by an employer of the Insured or by an employer of any person or persons residing in the same dwelling premises as the insured;
- f) Such other vehicle is not used for carrying passengers for compensation, hire, commercial delivery, business or similar.

### SECTION II – LIABILITY COVERAGE

We will pay all sums which you or your immediate family become legally liable to pay as compensatory damages because of bodily injury or property damage caused as a direct result of the ownership, use, or maintenance, of the Unit described on the Declarations Page. The limit of insurance stated on the Declarations Page is the maximum amount we will pay for all compensatory damages in respect of one accident or occurrence other than as provided under defense, settlement, supplementary payments.

#### Defense, Settlement, Supplementary Payments

We will defend any suit against you alleging bodily injury or property damage and seeking compensatory damages, even if it 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.

In addition to the limit of insurance for Section II, we will pay;

- a) all expenses which we incur;
- b) all costs charged against you in any suit insured under Section II;
- c) any interest accruing after judgment on that part of the judgment which is within the limit shown for section II;
- d) 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;
- e) expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this form.

**If Someone Uses Your Unit – Excess Coverage for Other Operators:**

Under Section II – Liability Coverage we will indemnify the liabilities of other people arising from the use of your Unit so long as:

- f) They are operating the unit with your express prior permission, and
- g) They have complied with all the provisions of this policy as if they were an insured named on the Declarations Page, and
- h) Only after all other insurance covering the loss has been exhausted.

**Exclusions - Liability**

You are not insured for claims arising from:

- 1. bodily injury to you;
- 2. damage to property that is owned, leased, or rented by you;
- 3. bodily injury or property damage caused by any intentional or criminal act by:
  - (i) any person insured by this policy; or
  - (ii) any other person at the direction of any person insured by this policy;
- 4. 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;
- 5. the rendering or failure to render any professional service;
- 6. the unit being used to carry more than an operator and one passenger except where rated and designed to carry more by the manufacturer.

**SECTION III - ACCIDENTAL DEATH BENEFIT COVERAGE**

If, as a direct result of an accident while operating the unit, the person(s) named as Insured on the Declarations Page, spouse, or the relatives of either or any person under age 21 in their care, die within 12 months of the accident, we shall pay in the event of such occurrence:

- i. \$5,000 for the death of the named Insured;
- ii. \$5,000 for the death of the spouse;
- iii. \$1,000 for the death of the relatives of either, or any person, under age 21 in their care.

Any payment under this section to any claimant does not constitute an admission of liability or fault for any entitlement to recover against the Insured person or invoke coverage under Section II - Liability Insurance.

**ADDITIONAL EXCLUSIONS - APPLICABLE TO ALL POLICY SECTIONS**

**You are not insured for:**

- 1. Any vehicle, including the unit and trailer listed on the Declarations Page, which if it were to be insured would be required by a Motor Vehicle Act to be insured under a contract of motor vehicle liability policy or any vehicle insured under such a contract.
- 2. Any use of the Unit other than for private pleasure purposes;
- 3. Loss or damage resulting from the use or operation of the unit in any official race, hill climb or speed test; or for any business, commercial or farming purpose.
- 4. Use of the Unit for carrying passengers for compensation, hire, commercial delivery, business or similar.
- 5. Loss, damage or expense caused by or contributed by, operation of the unit while the operator is under the influence of any alcohol, drugs or any other substance which impairs the safe operation of the unit
- 6. Loss or damage occurring while the operator or any passenger is not wearing a CSA or ULA or SNELL approved helmet.
- 7. War, invasion, act of foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection, or military power

**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 unit 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.

**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.

**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.

**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.

**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.

**Pleasure Use Only**

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 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.

**Currency Clause**

All amounts of insurance, premiums and other amounts expressed in this policy are in Canadian Currency.

**Severability Clause**

If any clause, word, phrase, provision or portion of this Policy shall be 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.

\*\*\*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.