

**Form #MTS-ONT&PR** (Rev. September 2, 2015)  
**"Multi-Standard M.T.S." Policy Conditions (MTS-ONT&PR)**

We provide the insurance described in this policy for payment of the premium and subject to the terms and conditions set out.

THIS POLICY contains warranties and general conditions, none of which are to be interpreted as suspensive conditions. The Company has agreed to accept the risk of insuring the vessel on the condition precedent that the Insured will comply strictly and literally with these warranties and conditions. If the Insured breaches any of these warranties or conditions, the Company at its option will not pay any claim arising thereafter, regardless of whether or not such breach is causative or in any way connected to such claim.

**HOLD HARMLESS AGREEMENTS**

We agree that you may sign standard Hold Harmless Agreements with marinas, yacht clubs and similar authorities where such agreements are necessary and customary.

**DEFINITIONS**

"You" and "your" means the person(s) named as Insured on the Declaration Page and, while living in the same household, his or her spouse, the relatives of either or any person under age 21 in their care. Spouse means either a man or a woman who: a) are married to each other; b) have together in good faith entered into a marriage; or, c) are not married to each other and have cohabited continuously for a period not less than three years, or have cohabited in a relationship of some permanence if they are the natural or adoptive parent of one or more children. Only the person named on the Declaration Page may take legal action against us.

"We" and "us" means the company providing the insurance.

"Insured Person" means you or any other person operating your vessel with your prior permission and without charge.

"Uninsured Boater" and "Uninsured owner or operator" means an owner of a boat other than the Insured Vessel named in this policy who is legally responsible for the accident, and: to whom no liability policy applies; or who cannot be identified.

"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.

"Insured Property" means the vessel, including the power units, accessories and equipment.

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

"Waterskiing" means using your vessel to tow a person on water skis or flotation devices.

"Diminution in value" means the actual or perceived reduction in market or resale value that may allegedly result from a loss.

**SECTION A - HULL AND EQUIPMENT**

You are insured against All Risks of accidental and direct physical tangible loss of or damage to the Insured Property from any external cause but subject to the conditions, warranties, and exclusions which follow.

**LIMITS**

The limits of insurance are shown on the Declaration Page of the policy.

**EXTENSIONS OF COVERAGE**

**1. PERSONAL PROPERTY**

You have the option of applying up to a maximum of \$1,000 of the insured property amount to cover personal property on your vessel and not otherwise insured. This includes foul weather gear, sleeping bags or bedding, and contents of your galley or dining area. But it does not cover accounts, bills, currency, money, notes, securities, letters of credit, tickets, passports and documents, sporting equipment where the loss or damage results from its use, firearms, diving equipment, cameras, musical instruments, works of art, jewellery, contact lenses, artificial teeth or limbs, portable or cellular phones, prescription and non-prescription eyeglasses, computer hardware and software. However, unless otherwise noted on the Declaration Page, coverage on fishing equipment is included, subject to a maximum limit of \$500.

**2. PROPERTY REMOVED**

We agree that, if any items or parts of the insured property scheduled on this policy are removed and stored on shore, coverage will be continued for an amount not exceeding 50% of the total amount of property coverage. The total amount insured does not alter but the amount insured applying to the hull and equipment is reduced by the value of the property removed.

**3. LAND TRANSPORTATION**

We will only cover the insured property and any trailer within a radius of 2,000 kilometers from the location your vessel is usually laid-up. Any extended distance will be described in the Declarations Page, if applicable. Any use or operation of the vessel remains subject to the Warranties section, Navigational Warranty, as specified in this policy and on the Declarations page.

**4. EMERGENCY TOWING ENDORSEMENT**

If Emergency Towing cover is indicated on the Declarations Page then we will pay up to the amount indicated on the Declarations Page per occurrence toward the cost of towing the Insured Vessel to the nearest repair facility, irrespective of the cause of breakdown. Subject to presentation of receipted bills and acceptable evidence of loss.

**EXCLUSIONS**

The following exclusions are applicable to sections "A - Hull and Equipment", "E - Loss of Use", and "F - Vessel Trailer Insurance"

We do not insure:

- A) Theft by persons to whom you entrust the insured property, other than carriers for hire. Loss from mysterious disappearance of equipment and other property not permanently attached to the hull or machinery. Loss or damage caused intentionally by, with the knowledge of, or resulting from criminal wrong-doing by an insured person.
- B) Loss or damage caused by nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material. Loss or damage caused by war, invasion, act of foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power. 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.
- C) Loss or damage caused by or resulting from wear and tear, marring, scratching, denting, gradual deterioration, rot, corrosion, weathering, electrolysis or

galvanic action, blistering, osmosis, lack of maintenance, mold, faulty design, faulty repair, faulty workmanship, the installation or use of improper or defective materials, inherent vice; however we will cover consequential property damage resulting from a fire, sinking, submersion, demasting, collision or stranding. Engine damage as a result of overheating will be covered when the overheating is caused by internal blockage of cooling water passages by zebra mussels-provided that the insured uses reasonable care in maintaining the vessel in light of the zebra mussel problem.

- D) Loss or damage caused by or resulting from latent defect unless a reasonably thorough prior inspection by the insured could not have discovered such a defect or condition, and such defect causes loss not otherwise excluded in this policy, then we shall pay for the resulting loss. In no event shall there be any liability under this policy for the cost or expense of replacing or repairing any defective part of the motor or vessel.
- E) Loss or damage caused by or in consequence of freezing, however we will cover damage to the machinery, provided the insured had hired a professional marine repair facility to annually winterize this machinery and can document this by way of a paid invoice.
- F) Loss or damage caused by or in consequence of the weight or pressure of snow or ice, however this policy will respond to any loss directly resulting from a building collapse. Building defined as a permanent structure built of wood, steel, concrete blocks, or concrete. Building does not include tents, canvas enclosures, enclosures with a fabric or non-rigid covering, or any other temporary or moveable enclosure.
- G) Loss or damage caused by or resulting from the use of (a) any space, or non-permanently affixed, heater or furnace; (b) any battery charger or generator; unless such equipment is CSA attested or UL approved.
- H) Diminution in value.

#### **LAW & USAGE**

Warranted to be subject to British Columbia Law and Usage as to liability for and settlement of any and all claims for vessels navigated in B.C. waters.

#### **BASIS OF CLAIM PAYMENT**

All losses on vessels ten years of age and older will be settled on an actual cash value basis, applying full deduction for depreciation.

Unless otherwise indicated on the Declaration Page, for all vessels nine years old and under, it is hereby understood and agreed that the insured vessel, including all the property insured under Section A of this policy, shall be valued as the amount stated on the Declaration Page.

All claims arising from a covered loss will be paid without deduction for depreciation provided;

- a) the insured vessel has been maintained in good and workable condition;
- b) you repair or replace the insured vessel, or part thereof, with materials of similar kind and quality within a reasonable time after the damage. If you choose not to repair or replace your insured vessel, or part thereof, or due to obsolescence repair or replacement is not possible, payment will be made on an actual cash value basis, and
- c) in the event of a Total or Constructive Total Loss, there shall be no recovery unless all said property is lost absolutely or unless the expense of recovering and repairing the insured vessel shall exceed the amount stated on the Declaration Page.

In the event of a Total or Constructive Total Loss our liability will be the lesser of:

- i) the amount indicated on the Declaration Page;  
or
- ii) the actual amount necessary to repair or replace the vessel.

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

We reserve the right to repair or replace the vessel with similar kind and quality.

#### **OBSOLESCENCE CLAUSE**

We do not cover any increased cost of loss or damage resulting from or in consequence of obsolescence. In no event shall there be any liability under this policy for the cost and expense of repairing or replacing any items which fail to recognize correctly the date change to the year 2000 or any other date change.

#### **ACTUAL CASH VALUE**

The 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. We will pay the lesser of:

- i) the cost to repair or replace the vessel with material of like kind and quality;
- ii) the actual cash value of the vessel at the time of loss;
- iii) the amount indicated on the Declaration Page.

We reserve the right to repair or replace the vessel.

All losses on vessels 10 years of age or older will be settled on an actual cash value basis, applying full deduction for depreciation.

#### **SPECIALTY HULL CONSTRUCTION - INFLATABLE**

For any hull of inflatable construction, all claims will be settled on an actual cash value basis, with full deduction for depreciation. Under no circumstances will our liability exceed the actual cash value of the hull and will not exceed the amount stated on the declarations page.

#### **SAILS AND COVERS**

All sails or covers 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.

#### **TENDERS & AUXILIARY O/B MOTORS**

For all tenders and auxiliary outboard motors older than three years of age, 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. No coverage is provided for these items unless specifically described on the policy declarations page.

#### **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 or not an insured vessel is a constructive total loss. Should you have unrepaired damage to your vessel and later suffer a total loss, whether covered by this policy or not, then we will not pay for the unrepaired damage.

#### **PARTS CLAUSE**

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

#### **PAIRS AND SETS CLAUSE**

In the event of loss or damage to any item, which is part of a set, the measure of loss or damage to such item 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.

#### **DEDUCTIBLE CLAUSE**

Unless otherwise stated on the Declaration page, we are liable only for the amount by which the loss or damage caused by any of the perils insured against under this policy exceeds 1% (minimum \$500) of the amount insured in any one occurrence except that where the loss involves underwater machinery and equipment the deductible shall be 2% (minimum \$500) and where the loss involves only the dinghy or tender, electronic navigation equipment, auxiliary motor, or personal property the deductible shall be \$250. We will waive the deductible in the case of a loss which is caused in whole or in part by another party that is liable for the damage.

### **SECTION B - PROTECTION AND INDEMNITY**

We agree to indemnify the insured person against the liability imposed by law upon the insured person for loss or damage arising from the ownership, maintenance, use or operation of the vessel resulting from bodily injury to or death of any person or damage to property.

#### **SUPPLEMENTARY PAYMENTS**

In addition to the limit of liability shown for Protection and Indemnity we will pay on behalf of an insured person:

1. Premiums on appeal bonds and other bonds required in any suit we defend. We will not pay for bonds in amounts which exceed the limit of liability;
2. Any interest accruing after judgement upon that part of the judgement which is within the limits of liability;
3. Loss of earnings (but not other income) of up to \$50 a day per person for attendance at court proceedings at our request;
4. Other reasonable expenses incurred at our request.

#### **REMOVAL OF WRECK**

If you are legally obligated to remove or otherwise dispose of the wreck of the insured vessel, 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, up to the value of the hull.

#### **LIMIT OF LIABILITY**

We will pay up to our limit of liability 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.

#### **EXCLUSIONS**

We do not insure:

1. Bodily injury or property damage intentionally caused by an insured person;
2. a) Damage to property you own, use, occupy or lease.  
b) Damage to property in your care, custody or control.
3. Bodily injury incurred during the course of employment if Workers' Compensation or Federal Longshoremen's and Harbour Workers' Compensation benefits are required or available for the injury;
4. Bodily injury or property damage resulting from parasailing, kite sailing, kite tubing, hang gliding, or similar activity involving tethered flight including subsequent release of objects or people;
5. Liability assumed under any contract or agreement, other than Standard Marina Hold Harmless Agreements;
6. Property damage or bodily injury arising out of the transportation of the insured vessel on land;
7. Bodily injury to you or to any person residing in your household; or
8. The cost of the containment, clean-up and resulting property damage and assessments related to the discharge, leakage or spillage of petroleum products, chemicals or other substances on any kind or nature;

#### **U.S.A. LONGSHOREMEN'S AND HARBOUR WORKERS' COMPENSATION**

This coverage is in force only when the insured vessel is operating within U.S.A. territorial waters and/or within U.S.A. jurisdiction in accordance with policy navigating limits and conditions.

#### **U.S.A. LONGSHOREMEN'S AND HARBOUR WORKERS' COMPENSATION ACT**

- (1) If a premium is shown for B, C, and D on the Declaration Page of this policy, the Company then agrees to insure for the term of the policy and liability of the Insured in respect of the insured vessel which shall arise under the U.S.A. Longshoremen's and Harbour Workers' Compensation Act, being Public Act No. 803 of the 69th Congress, approved March 4th, 1972, and all laws amendatory thereof or supplementary thereto which may be or become effective while this Section of the policy is in force.
- (2) Coverage under this Section may be cancelled at the Insured's request or by the Company, but cancellation shall not become effective prior to the date specified herein for the policy expiration, unless and until at least 30 days have elapsed after a notice of cancellation has been sent to the Deputy Commissioner and to the Employer Insured.
- (3) The Company will carry out the provisions of Section 35 of said Act. Insolvency and bankruptcy of the Employer and/or discharge therein shall not relieve the Company from payment of compensation and other benefits lawfully due for disability or death sustained by an employee during the life of this policy.

Provided always that the liability of the insurers in respect to any one accident or series of accidents shall not exceed in the Aggregate the amount stipulated for liability to Third Parties on the Declaration Page of the policy.

The Company agrees to abide by all the provisions of the said Act and all lawful rules, regulations, orders, and decisions of the United States Employers'

Compensation Commission and of the Deputy Commissioner having jurisdiction, unless and until set aside, modified or reversed by a court having jurisdiction of the parties and the subject matter.

It is understood and agreed that this insurance fully covers the liability of the Insured under said Act but in no case does this insurance extend beyond the provisions of said Act.

It is agreed that upon payment of any loss, damage, or expense the Company is to be subrogated to all the rights of the Insured to the extent of such payment.

The coverage under this Section of the policy is not assignable without the previous consent in writing of the Company.

#### SECTION B-2 - POLLUTION /SPILL LIABILITY

We agree to pay up to the amount indicated on the Declarations Page for Spill Liability, for the containment, clean-up, property damage and assessments related to any sudden and accidental spillage or leakage of petroleum products, chemicals or other substances of any kind, from the Insured Property for which the Insured Person becomes legally liable through the ownership, maintenance or use of the Insured Vessel. We will settle or defend any claim or suit which asks for these covered expenses or damages. However, this cover is void if an insured fails or refuses to provide all reasonable cooperation and assistance requested by an official in connection with the containment and clean-up activities. Our duty to settle and defend ends when the limit indicated on the Declarations Page is exhausted. This cover does not apply to the following:

- 1) liability resulting from the transportation of the Insured Vessel on land;
- 2) liability caused by or resulting from an intentional act or fines or penalties or any claim for punitive damages or costs of defense arising out of a criminal or civil violation of law;
- 3) liability resulting from the discharge, emission, spillage or leakage of any radioactive material or substance of any kind;
- 4) liability for bodily injury.

#### 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 vessel insured by this policy provided the vessel 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 vessel;
- (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 insured 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 judgement against you or by an agreement which has our consent.

#### SECTION D - ACCIDENTAL DEATH BENEFITS

If, as a direct result of the vessel insured hereunder stranding, sinking, burning or being in collision, the owner, spouse, or any minor children lose their lives, we shall pay in the event of such occurrence:

\$10,000 for the death of the owner;

\$ 5,000 for the death of the spouse;

\$ 1,000 for the death of each minor child;

Such payments shall be made to the estate of the demised.

#### SECTION E - LOSS OF USE

We shall pay up to \$50 per day (maximum \$2,000 per occurrence) to rent a replacement if the insured vessel is damaged in an accident covered by this policy. Appropriate receipts for rental of a vessel of similar kind and quality must be presented for reimbursement.

#### SECTION F- VESSEL TRAILER INSURANCE

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

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.

#### SECTION "G" - UNINSURED BOATER

If an amount is indicated on the Declarations Page for "Uninsured Boater Coverage", we will pay up to that amount for damages, which, because of bodily injury received aboard your Insured Vessel, you are legally entitled to recover from the Uninsured Boater.

We do not provide Uninsured Boater coverage:

- 1) for claims settled without our written consent;
- 2) if the Uninsured Boater is owned or operated by a government body or agency or employee or any contractor/subcontractor of any governmental body or agency or employee of such contractor/subcontractor;
- 3) for boats owned by or furnished for regular use by any one falling under the definition of Insured Person for the purposes of this policy; or,
- 4) for anyone using the Insured Property without the permission of the Insured Person.

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

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; or,
- c) all sums paid under the Liability or Medical Payments coverages of this policy.

The amount on the Declarations 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 same event.

#### COVERAGE EXTENSION – NEWLY ACQUIRED VESSEL

If you purchase a vessel of similar size and kind during the policy period, either in addition to or to replace the existing vessel and trailer, we will automatically provide coverage under Section A, B, B-2, C, D, E, F and G of this policy, subject to all other terms and conditions as expressed in the complete policy. Coverage for the new vessel and trailer will be for a period of 10 calendar days from the date of purchase, upon which coverage expires unless agreed by us in writing in the form of a new or revised Declarations Page noting the new vessel. During the 10 day automatic coverage period, all limits will remain as per the existing Declarations Page with the exception of Section A and F, wherein we will provide additional coverage for the newly acquired vessel and trailer up to an amount equal to the existing limit for Section A and F. In no event will our liability exceed the purchase price of the newly acquired vessel and trailer. We must insure all your owned vessels for this coverage extension to be available. This clause does not provide coverage for the acquisition of any jet drive personal watercraft and will not provide coverage for any vessel with a maximum capable speed of in excess of 55 miles per hour.

#### WARRANTIES

This section contains warranties that apply to all coverages of this policy. The breach of any Warranty contained in the policy or on the Declarations 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 VESSEL WARRANTY**

Your vessel must be used only for private pleasure purposes. For the purpose of this insurance, private pleasure purposes will include: Entertainment of business clients for pleasure purposes provided your vessel is not being chartered or hired.

**2. NAVIGATIONAL WARRANTY**

The insurance does not apply to loss or damage occurring in waters outside those described under "navigational limits". Should you exceed the navigational limits shown on the policy for any reason beyond your control, then your policy will remain in force. However, you must notify us as soon as possible and pay any additional premium required.

**3. LAY-UP WARRANTY**

You warrant that the insured vessel(s) will be laid-up ashore from December 1st to March 31st, 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) with a pilot light is, or will be, installed on board the insured vessel during the term of this policy. With respect to propane stove(s) and propane water heater(s) with pilot light(s), it is warranted that the propane system will be shut off at the manual shut-off valve on the cylinder at all times when the system is not in use or the vessel is left unattended.

**5. QUALIFIED OPERATORS WARRANTY**

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

#### DUTIES AFTER A LOSS OCCURS

In the event of any loss, damage or occurrence that is covered by this policy, any person presenting a claim must:

**1. PROTECT FROM FURTHER LOSS**

You must take all reasonable and lawful steps to protect the Insured Property from further loss. Any further loss resulting from your failure to protect from further loss will not be recoverable under this policy. We will pay the reasonable costs you incur in preventing further loss, excluding personal labour and expense.

**2. NOTIFY US**

Give us or our authorized agent and/or broker immediate notice of any occurrence that may result in claim under this policy. This notice should state:

- a) With respect to the incident, where, when and how;
- b) Property concerned;
- c) If injuries involved, names and addresses of injured parties and all witnesses.
- d) Submit a written proof.

**3. NOTIFY THE AUTHORITIES**

Give prompt notice to the Police, Coast Guard or suitable authority if theft, fire, collision or injury is involved.

**4. PERMIT SURVEY**

Permit us to inspect damages before repairs are made.

**5. PRESERVE OUR RIGHTS**

Assume no obligation, admit to no liability or incur any expenses for which we are or may become liable without written permission except incurred to protect the property from further loss.

**6. COOPERATE WITH US**

You must obtain repair specifications, bids and estimates from alternate sources if requested.

You must permit us to examine any records we require to verify the loss or its amount.

You must cooperate in the investigation, defense or settlement of any loss and agree to be examined under oath if we request.

You must allow examinations by physicians of our choice, when relevant to the loss.

You must provide written authorization for us to obtain copies of all prior medical and hospital records.

You must provide us with copies of other insurance policies or health coverages that may cover the loss.

Submit a notarized detailed written proof of loss assigned and sworn by you and evidence of an insured interest.

If you fail to comply with any of these provisions, there will be no recovery under this policy.

#### GENERAL CONDITIONS

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

## **SPECIAL CONDITIONS**

### **LIMITATIONS OF USE:**

We will not be liable if your vessel is:

- (1) used for carrying passengers or goods for compensation;
- (2) rented or leased to another person;
- (3) operated illegally or used for any illicit or prohibited trade or transportation;
- (4) operated in any race, meet or speed test, unless it is a sailcraft.

**POLICY PERIOD:** This policy applies only to losses which occur during the policy period stated on the Declaration Page.

**TERRITORY:** This policy applies only to losses which occur while the vessel is afloat or ashore, within the geographical limits of this policy.

**CONTINUATION:** Should your vessel, at expiration date (not by cancellation), be at sea or in distress, or at port of refuge, we shall continue to hold covered until landed and after 24 hours in a safe berth.

**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.

**TRANSFER OF INTEREST:** If you sell, transfer, mortgage or pledge your vessel or this policy, all coverages herein will cease without further notice to you unless such change is accepted by us in writing.

**MISREPRESENTATION AND CONCEALMENT:** If any material fact or circumstance is misrepresented, omitted, concealed or incorrectly stated intentionally or otherwise by you, or on your behalf, all insurance provided by this policy shall be void from inception and premium refunded.

**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.

**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.

**NON-WAIVER PROVISION:** No action on our part, after a loss to recover or save the property from further loss, nor any action which we may take in connection with the investigation of any loss, shall be considered as a waiver of any of our rights under this policy.

**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.

**INSURANCE UNDER MORE THAN ONE POLICY:** Applicable to property located in any Province or Territory except Quebec. If you have insurance on specifically described property; our 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 our policy will pay its rateable proportion of the loss or claim. Applicable to property located in the Province of Quebec; If you have other insurance our policy will pay its rateable proportion of the loss or claim.

**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.

**CANCELLATION:** You may cancel this policy at any time. We may cancel this policy by giving you fifteen (15) days notice of termination by registered mail or five (5) days written notice of termination personally delivered.

**LIBERALIZATION:** If we adopt any liberalization which would broaden coverage under this policy, without additional premium, within the policy period, the broadened coverage will immediately apply to this policy.

**SUBMISSION OF CLAIM:** We will not pay for any claim presented after one year from the date the loss or damage occurs.

**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.

**CANCELLATION IN EVENT OF A TOTAL OR CONSTRUCTIVE TOTAL LOSS:** In the event of a total loss or declaration by us of a constructive total loss, this policy will automatically terminate immediately thereafter. The premium will be fully earned and no refund will be available. Any replacement vessel will have to apply as a new account

**CURRENCY:** All coverage stated herein, all evaluations will be conducted in, and all losses will be settled in Canadian Currency.

### **INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE - CL 370**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

- 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

**INSTITUTE CYBER ATTACK EXCLUSION CLAUSE (10/11/03) – CL 380**

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**MORTGAGE ENDORSEMENT**

It is agreed, in the event that the insured vessel is not repaired or the lost or damaged parts are not replaced, loss under the policy shall be payable jointly to the insured and lienholder or mortgagee.

Lienholder or mortgagee and address are as stated on the Declaration Page.

If the insurance provided by this Policy is cancelled, the insurer agrees to give fifteen days' written notice of cancellation to the lienholder.

Notwithstanding anything contained in any renewal issued subsequent to this date, the obligation to notify the lienholder shall not be effective after the expiry date of such renewal.

SAMPLE