

1. INDEMNITY AGREEMENT

In the event that any of the property insured, as described on the "Declaration Page(s)", be lost, destroyed or damaged by the perils insured against, the insurer will indemnify the insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declaration Page(s)" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page(s)".

2. PROPERTY INSURED

This Form insures all boats, motors, boat carriers, or other miscellaneous boating equipment being either the property of the Insured or property of others for which the Insured may be liable as per the schedule on file with the Insurer.

3. AMOUNTS OF INSURANCE

The maximum liability of the Insurer in any one loss shall not exceed the amount(s) of insurance specified for each item listed on the schedule of insured property on file with the Insurer.

4. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "Declaration Page(s)" in any one occurrence.

5. PERILS INSURED

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to property insured including while the property insured is being transported, loaded or unloaded by/onto/from a conveyance subject to the exclusions and conditions of this policy.

6. EXCLUSIONS

This insurance does not insure:

- (a) loss or damage caused by wear and tear, gradual deterioration, inherent vice, vermin, obsolescence, rust, corrosion, latent defect, freezing or overheating;
- (b) loss or damage caused by any repairing or restoration or remodeling process;
- (c) structural defect or mechanical breakdown;
- (d) misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured, employees or agents of the Insured or any person or persons to whom the property may be entrusted;
- (e) loss or damage caused by marring, scratching, denting, and chipping, while in transit by land, unless caused by fire, lightning, cyclone, tornado, windstorm, flood, collision, derailment, or overturn of the transporting conveyance;
- (f) unexplained loss, mysterious disappearance or loss or shortage disclosed upon taking inventory;
- (g) theft of equipment, unless coincident with theft of the entire boat or unless there be evidence of forcible entry;
- (h) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (i) (i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (ii) by contamination by radioactive material.
- (j) loss or damage resulting from any intentional, willful or dishonest misuse, criminal act or failure to act by you or any other person at your direction or any other party of interest, your agent or any person to whom the property insured may be entrusted;
- (k) loss or damage resulting from operation of the property insured, while you or any other person authorized to operate or assist in the operation (a) are under the influence of intoxicating alcohol or drugs to such an extent as to be incapable of the proper control of the property insured; or (b) are in a condition for which you can be or are convicted of an indictable offence under the Criminal Code of Canada;
- (l) loss or damage that results from the lawful or unlawful capture, seizure, requisition or detainment, or attempt thereat, of the property insured by a civil authority;
- (m) any loss, damage, liability or expense of any kind arising out of the use of the property insured for parasailing, spinnaker flying, kite sailing, or similar activity.
- (n) losses otherwise recoverable under this policy arising, directly or indirectly, out of
 - (a) loss of, or damage to, or
 - (b) a reduction or alteration in the functionality or operation of a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment, whether the property of the policyholder or not.

However, if such losses result in further loss of or damage that is directly caused by:

theft of equipment, collision, sinking, grounding or stranding of carrying vessels, overturning or derailment of land conveyances, jettison or washing overboard, fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing or weight of snow, then this exclusion shall not apply to such resulting loss or damage.

7. BASIS OF SETTLEMENT

A. BLANKET LIMIT OF INSURANCE

In the event that any of the property insured be lost, destroyed or damaged by a peril insured against, the Insurer will indemnify the Insured to an amount not exceeding the least of:

(a) the actual cash value of the property at the time of the loss or damage;

(b) the interest of the Insured in the property;

(c) the amount of insurance specified on the "Declaration Page(s)" in respect of the property lost or damaged, unless the property insured is 3 years old or newer, and purchased new by the insured, in which case, the insurer will pay the cost to repair or replace the lost or damaged property with other of like kind and quality, without deduction for depreciation, but in no event to exceed the original Purchase price applicable to the lost or damaged property, nor shall it exceed the amount of insurance as stated on the "Declaration Page(s)".

"Actual cash value" means the value of your property immediately prior to it being damaged or destroyed. It takes into consideration re-sale value, normal life expectancy and condition of property. To determine actual cash value, such things as replacement cost, fair market value and depreciation due to wear and tear and deterioration are taken into account.

B. SCHEDULED VALUE LIMIT OF INSURANCE

In the event that any of the property insured be lost, destroyed or damaged by a peril insured against, the Insurer will indemnify the Insured to an amount not exceeding the least of:

(a) the actual cash value of the property at the time of the loss or damage;

(b) the interest of the Insured in the property;

(d) the amount of insurance specified on the "Declaration Page(s)" in respect of the property lost or damaged, unless the property insured is 3 years old or newer, and purchased new by the insured, in which case, the insurer will pay the cost to repair or replace the lost or damaged property with other of like kind and quality, without deduction for depreciation, but in no event to exceed the original purchase price applicable to the lost or damaged property, nor shall it exceed the amount of insurance as stated on the "Declaration Page(s)".

C. AGREED SCHEDULED VALUE LIMIT OF INSURANCE

In the event that any of the property insured be lost, destroyed or damaged by a peril insured against, the Insurer will pay the cost to repair or replace the lost or damaged property with other of like kind and quality without deduction for depreciation, but in no event shall such cost exceed the amount of insurance stated on the "Declaration Page(s)", as agreed upon between the Insured, Broker and Insurer.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited to the aggregate to the amount or amounts of insurance specified on the "Declaration Page(s)".

8. CO-INSURANCE CLAUSE

The Insurer shall be liable in the event of loss hereunder for no greater proportion thereof than the amount insured by this form bears to an amount equal to 80% co-insurance percentage applied to the actual cash value of the property insured hereunder at the time and place such loss or damage shall occur.

9. TERRITORIAL LIMITS

This form covers only within the territorial limits of Canada and the Continental United States of America, excluding Alaska.

10. REINSTATEMENT

Loss under any item of this Form shall not reduce the applicable amount of insurance.

11. OTHER INSURANCE

If at the time of loss or damage there is any other valid and collectible insurance which would attach if this insurance had not been effected, this insurance shall apply as excess, and in no event as contributing insurance, and then only after all such other insurance has been exhausted.

12. DEFINITIONS

Wherever used in this Form:

(a) "Declaration Page(s)" means the Declaration Page(s) applicable to the Form.

(b) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

(c) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.

13. WATERBORNE COLLISION

Loss or damage caused by waterborne collision is excluded unless a "Y" appears beside an item on the Watercraft Rider Schedule in the Waterborne Collision Endorsement column and while the watercraft is in use.

This exclusion does not apply if the item is damaged while attached to a dock or another type of mooring or breaks away from its mooring.

14. WATERBORNE COLLISION CANCELLATION TABLE

Cancellation of the Watercraft Waterborne Collision Endorsement coverage must be in accordance with the following cancellation table:

Cancellation Table

January.....0%	July.....20%
February.....0%	August.....20%
March.....0%	September.....20%
April.....0%	October.....0%
May.....20%	November.....0%
June.....20%	December.....0%

HOUSEBOAT CANCELLATION TABLE

Cancellation Table

January.....0%	July.....20%
February.....0%	August.....20%
March.....0%	September.....20%
April.....0%	October.....0%
May.....20%	November.....0%
June.....20%	December.....0%

15. ACQUISITIONS

This Form covers additional boats, motors, trailer and equipment acquired by the Insured as owner, subject to notice to this Insurer within thirty (30) days from the date of acquisition and payment of pro rata premium hereunder from such date. In no event shall the liability of the Insurer under this paragraph exceed \$5,000.

16. RESTRICTIONS ON THE USE OF THE WATERCRAFT – WARRANTIES

In order to keep this policy in effect, the Insured must make, and must keep, certain promises. These are known as warranties. If any of these warranties are violated, coverage will be terminated from the time of such violation. It is therefore warranted that:

- 16.1 the property insured will not be used in any race or speed test if a motor powers it;
- 16.2.1 any propane, butane, natural gas, alcohol or kerosene equipment used on the property insured will be installed as per the National Fire and Protection Association Standards or equivalent (such as CSA or ULC approved or manufacturers' instructions);
- 16.2.2 any propane, butane, natural gas, alcohol or kerosene equipment with a pilot light, will be shut off at the manual shut off valve at the source of the fuel at all times when the system is not in use or the property insured is left unattended. This does not apply to houseboats;
- 16.2.3 any propane, butane, natural gas, alcohol or kerosene equipment, any space heater or furnace and any battery charger or generator used on the property insured is CSA attested or UL approved;
- 16.3 during the lay-up period from December 1st to April 30th, the property insured (a) will be laid-up and out of commission and out of the water; and (b) will not be used for living on board; and (c) will be safely secured for storage;
- 16.4 the property insured will be kept in a seaworthy, safe and navigable condition whenever afloat or being operated;
- 16.5 any insured person will not use the property insured in any illegal or criminal activity;
- 16.6 the property insured will not be used for living on board as a permanent or semi-permanent residence;
- 16.7 if the property insured is equipped with an automatic extinguishing system, the system will be serviced on an annual basis. If the system discharges for any reason, it must be serviced immediately.
- 16.8 all operators will be in compliance with all government regulations and licensing requirements.

All other terms and conditions of the policy remain unchanged.