

WATERCRAFT INSURANCE POLICY BROAD FORM

AGREEMENT

We provide you with coverage against various perils and liabilities as described in this policy.

DEFINITIONS

You and **your** in this form refer to the **Insured**. We and **us** We, us, and **Insurer** refer to the insurance company.

The definitions below apply to the words and expressions shown in bold type in this form.

Auxiliary Outboard: any outboard motor that does not constitute the main mean of propulsion of the boat, but is normally used to assist the **insured boat** or any **tender** thereof.

Bodily Injury: bodily injury, sickness or disease sustained by a person having an interest in this insurance, including death resulting from any of these.

Detachable Equipment: any lifesaving or safety equipment item, and any oar, rubbing strake, anchor, rope or rigger.

Electronics: any fixed or portable electronic equipment normally used for navigation or used in conjunction with the use or maintenance or servicing of the **insured boat**.

Insured: any person or organization (other than a yacht club, marina, recreational harbour, boat sales office, service station, or any similar business) who with your permission uses or operates the **insured boat** in accordance with applicable water safety regulations.

Insured boat: the boat described in the Declarations as well as any inboard, outboard or inboard/outboard machinery and any equipment used in connection therewith.

Insurer: the insurer issuing this insurance contract.

Loss: a risk that occurs and causes damage

Marine survey: a visual and tactile inspection by a marine surveyor.

Personal effects: clothing, sports equipment, personal belongings of the **Insured** and of any of your guests and voluntary crew members while they are on board the **insured boat**.

Pleasure boating: any private, recreational use of the **insured boat**, and does not include any activities for remuneration.

Property damage: physical injury caused directly to the insured property by an insured peril.

Tender: a small boat attached to or stored aboard a larger boat, which is normally used to assist the **insured boat** or used in connection therewith.

Trailer: any trailer specified in the Declarations and used exclusively for the transportation of the **insured boat** on land.

Trailer Locking Device: a recognized tamper-resistant trailer locking mechanism specifically designed as such.

Uninsured boat: any boat not insured under a third party liability insurance contract covering **bodily injury** or that is covered under an insurance contract whose carrier denies liability or an **Insured** or an **insured boat**. The following are not **uninsured boats** within the intent or meaning of this Definition:

- a) boats owned by an **Insured**, or boats provided or made available to an **Insured** for his or her normal use;
- b) boats owned, used or operated by a person authorized by law to self-insure; or
- c) boats owned by a government or any organization thereof.

Warranty: a formal undertaking by the **Insured** to fulfil certain conditions throughout the term of this insurance; breach of a warranty will make the policy null and void.

SECTION I – PROPERTY

COVERAGE A – Property

1. PROPERTY INSURED

You are insured up to the amount shown in the Declarations. Coverage applies to:

- a) the **insured boat** and its **detachable equipment**;
- b) **electronics**;
- c) **tenders, auxiliary outboards and trailers**;
- d) **personal effects**.

2. LIMITS OF LIABILITY

The liability of the Insurer in respect to claims arising from loss or damage to an item of property shall not exceed the amount of insurance specified on the Declarations Page for such item, subject to the following:

a) **Insured boat and equipment**

The limit is shown under Coverage A – Boat.

b) **Electronics**

If Included is shown next to **electronics** on the Declarations Page, the amount of insurance for **electronics** shall be included in the amount specified for Coverage A – Boat.

c) **Tenders, auxiliary outboards and trailers**

– If Not Applicable or N/A appears next to **auxiliary outboards, tenders or trailers** on the Declarations, then these items are not covered.

– If an amount of insurance is shown for the **tender, auxiliary outboard or trailers**, then this is the limit of coverage for these items.

– If included is shown next to the **tender, auxiliary outboard or trailer**, then that item is included under the limit for Coverage A – Boat.

d) **Personal effects**

Personal effects are covered on the basis of the actual cash value of the property at the time of loss or damage. However, coverage shall only apply provided such property is not covered under any other valid and collectible insurance.

The applicable amount of insurance is the amount specified for **personal effects** in the Declarations.

Any loss we pay will not reduce the amount of insurance specified for **personal effects** in the Declarations.

Your fishing gear and equipment is included in the above mentioned amount of insurance, but only when it is aboard the **insured boat** at the time of **loss**.

3. EXTENSIONS OF COVERAGE

a) **Equipment on shore**

This insurance is extended to cover fixed equipment which is removed from the **insured boat** and stored on shore for servicing and/or maintenance, repair or storage.

b) **Newly acquired property**

We insure additional boats, **tenders** or **trailers** acquired subsequent to the attachment date of this Policy. You agree

to report such additional property within fifteen (15) days of the date of acquisition and to pay additional premium thereon from said date. This insurance shall cease if such additional property is not reported to us within the fifteen (15) day period. Until we can establish the value of such additional property, we shall not be liable under this provision for more than:

- the purchase price of the property;
- the value of the property at the date of acquisition; or
- the limit for Coverage A – Boat for the listed boat with the highest value.

We will also cover any **detachable equipment** or **electronics** you acquire subsequent to attachment date of this Policy.

c) Loss of Use and Additional Living Expenses

- Loss of Use

In case of insured **loss** or damage to the **insured boat**, we will reimburse you for the cost of renting a boat of the same type and size until the **insured boat** is replaced or repaired.

- Additional Living Expenses

In case of insured **loss** or damage to the **insured boat** we will pay your necessary additional living expenses, until the **insured boat** is replaced or repaired.

Coverage for **loss** of Use and Additional Living Expenses combined is limited to \$250 per day and \$1,500 per **loss**. Receipts must be submitted for all payments,

Coverage hereunder is not limited by the date of expiration of the policy but shall terminate upon the earlier of:

- the date of completion of repair or replacement of the **insured boat**; or
- final payment of all indemnities payable to settle the **loss**.

4. PERILS INSURED

We insure against all risks of direct physical loss or damage except as herein provided.

We also insure loss or damage arising from latent defect of the **insured boat**, but excluding the cost of repairing such latent defect or the replacement of the defective part as well as the cost of delamination.

5. EXCLUSIONS

There is no coverage hereunder for loss, damage or expense caused by:

- a) wear and tear, inherent vice, gradual deterioration, mechanical breakdown or failure to properly service or maintain the **insured boat**, corrosion, rust, dampness of atmosphere, weathering, mould, marring, scratching or denting, but this exclusion does not apply to loss or damage caused by rodents;
- b) freezing that occurs during the lay-up period, unless the boat has been winterized for a fee by a qualified and recognized marina or boat repairer or mechanic, and then only if receipts for such winterization have been retained by you and submitted to us;
- c) ice, freezing or extremes of temperature while the **insured boat** is afloat;
- d) intentional acts or gross negligence committed by an **Insured** or any person to whom the **Insured** has entrusted the **insured boat** or property;

- e) dishonest, unlawful or illegal acts committed by an **Insured** or any person to whom the **Insured** has entrusted the **insured boat** or any other property;
- f) transportation of the **insured boat** on a public highway where such transportation breaches the Highway Code or any other law, by-law or regulation pertaining to road safety;
- g) chemical, biological, biochemical or electromagnetic weapons;
- h) theft of the **insured boat** while on a trailer, unless the **trailer** has been secured by a **trailer locking device**;
- i) theft of the tail shaft on any inboard/outboard motor boat, unless such tail shaft has been secured with recognized and resistant antitheft nuts specifically designed for use on a tail shaft;
- j) property illegally acquired, kept, stored or transported, or subject to legal confiscation;

We do not insure loss or damage or expenses occurring when the **Insured** uses or operates the boat while:

- k) under the influence of alcohol or drugs to an extent where he/she cannot steer or control the boat adequately; or
- l) in a condition for which he/she has been or may be guilty of an offense under the Criminal Code of Canada.

Nor do we insure against loss or damage to or expenses arising from:

- m) money, travelers' cheques, securities, valuable papers, titles, credit letters, notes, tickets or passports or other similar property;
- n) pay and living expenses of a captain or crew;

The following are excluded IF THE DECLARATIONS SO STATE:

- o) we exclude total or partial theft or attempted theft of property listed in Coverage A of the Declarations of this insurance contract;
- p) we exclude direct loss or damage to the tail shaft.

6. PRIOR DAMAGE

We will not be liable for unrepaired or prior damage sustained before the attachment of this insurance or added to the amount of the claim.

7. PROHIBITED USE

You shall not use or operate the **insured boat** nor permit use of the **insured boat** by others unless you or the person that will use or operate the boat are:

- a) Authorized by law;
- b) Qualified to use or operate the boat;
- c) There shall be no coverage if the boat is used for any illicit trade or transportation.

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8. AUTHORIZATION FOR REPAIRS

You shall arrange to have the necessary repairs done, but only after you have been authorized by us to do so.

BASIS OF SETTLEMENT

We will pay for insured **loss** or damage up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance stated in the Declarations for any loss or damage arising out of one occurrence.

Under Section I, only the **Insured** may take legal action against us.

1. DEDUCTIBLE

Unless otherwise indicated, we are responsible only for the amount by which the loss or damage exceeds the amount of the deductible shown in the Declarations.

Each **loss** involving the **insured boat**, its **detachable equipment, tenders, auxiliary outboards, trailers and personal effects** shall be treated separately and the amount of the deductible shown in the Declarations will be subtracted from the amount claimed.

2. MORE THAN ONE DEDUCTIBLE

If more than one deductible applies to the damaged property, the highest deductible amount will be applied.

3. DEDUCTIBLE WAIVER

No deductible shall apply in the case of a total or constructive total loss.

4. TOTAL LOSS

A. AGREED VALUE

If an agreed value is stated in the Declarations, that amount will be paid in the event of total loss or if the reasonable costs to recover or repair the **insured boat** exceed the stated amount.

The agreed value is a value decided between the **insurer** and the **Insured** based on evidence of value.

B. ACTUAL CASH VALUE

Actual Cash Value applies if stated in the Declarations. The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

5. PARTIAL LOSS

A. WITHOUT DEPRECIATION

If the Declarations so state, no depreciation shall be applied. However, if the **Insured** decides not to repair the property, then settlement will be based on Actual Cash Value.

B. WITH DEPRECIATION

If the Declarations so state, depreciation shall be applied in the event of partial loss.

6. SPECIAL CONDITION

For boats more than fifteen (15) years old and valued at less than \$15,000, the maximum value applicable to the motor and drive components shall be 50% of the amount stated in the Declarations.

SECTION II – THIRD PARTY LIABILITY

COVERAGE B – Protection and Indemnity

1. INSURING AGREEMENT

We will pay those sums that the **Insured** becomes legally obligated to pay as compensatory damages because of **bodily injury** or **property damage** to which this insurance applies resulting from the ownership, maintenance or use of the **insured boat**.

This insurance applies only to **bodily injury** or **property damage**:

- 1) caused by an occurrence taking place:
 - a) while the insured property is afloat within the navigation limits as described in Section III; or
 - b) while the insured property is on shore within the Navigation Limits as described in Section III; and
- 2) occurring during the term of the insurance.

2. LIMIT OF LIABILITY

The limit of liability shown in the Declarations is the maximum we will pay under Coverage B – Protection and Indemnity, regardless of the number of boats and premiums shown in the Declarations and the number of **Insureds**, claims made or boats involved, in any one loss or series of losses arising out of any one occurrence.

3. SUPPLEMENTARY PAYMENTS

In addition to the limit of insurance for Coverage B, we will pay, with respect to any claim or action we defend:

- a) All reasonable expenses we incur or incurred at our request.

b) Any interest accruing after entry of judgment or until the time we pay the claim upon that part of the judgment or settlement which is within the limit of insurance.

c) Premiums on appeal bonds required in any suit defended by us, but only for bond amounts within the limit of insurance for Coverage B.

4. REMOVAL OF WRECK

If you are legally obligated to remove or otherwise dispose of the wreck of the **insured boat**, we will pay the amount necessary to remove or otherwise dispose of the wreck or the amount which you are held liable for failing to do so, subject to the limit of liability stated in the Declarations for Coverage B.

5. NON-OWNED WATERCRAFT

We will cover the liability arising from the use of a watercraft you are not the owner provided:

- a) you have the owner's consent;
- b) it is being privately used for navigational purposes, pleasure or leisure;
- c) the said watercraft is similar in size, type and value as the insured watercraft;
- d) the said watercraft is not owned, provided or chartered by you.

WE DO NOT INSURE damages to the watercraft.

The amount of insurance shown on the Coverage Summary page under Coverage B – Protection and Indemnity and constitutes the maximum amount payable per loss.

This coverage is considered complementary to all other valid and recoverable insurance protecting you in respect to the same event.

6. COVERAGE C – MEDICAL EXPENSES

The amount of insurance shown in the Declarations for Medical Expenses is the most we will pay for medical expenses made necessary by an accident caused by users of the **insured boat**, regardless of the number of claims made or persons injured, and provided such payments are not prohibited.

This coverage applies to medical, surgical, hospital and dental expenses, including the costs of prosthetic devices, professional nursing services, the use of x-rays, ambulance services and funeral expenses.

7. COVERAGE D – ACCIDENTAL DEATH

Should you, your spouse or any of your dependent children be involved in a fatal accident arising from the use of the **insured boat**, and provided death occurs in the twelve (12) months following the accident, we will pay the following to the estate:

- \$10,000 for the death of the **Insured**;
- \$5,000 for the death of the **Insured's** spouse;
- \$1,000 per child for the death of any of the **Insured's** dependent children.

EXCLUSIONS – Applicable to Coverages B, C and D

We do not insure:

1. **Loss** or damage expected or intended from the standpoint of the **Insured**;
2. **Property damage** caused by an **Insured** to property he/she owns, rents, uses or under his/her care or custody;
3. Any obligation of the **Insured** under a Worker's Compensation or Longshoremen's and Harbour Worker's Compensation law or any similar law, or a Motor Vehicle Insurance law;
4. Liability assumed by the **Insured** under a contract or agreement;
5. Liability arising out of the transportation of the **insured boat** on land;
6. Liability arising from water sports requiring the use of a parachute or similar device;

7. **Bodily injury** or **property damage** to a third party where such bodily injury or property damage is intentionally caused by that third party;
8. Punitive or exemplary damages;
9. **Bodily injury** sustained by any **Insured**;
10. Fines or penalties you become legally obligated to pay by order of public authorities;
11. **Loss** or damage arising while the **insured boat** is being used for commercial purposes.

DUTIES FOLLOWING AN ACCIDENT OR LOSS

In the event of any **loss** or damage, you must comply with the requirements mentioned hereafter. Failure to do so shall result in forfeiture of the right to indemnity where such failure has caused prejudice to the **Insurer**.

1. Notice

Your broker or our authorized representative or we, ourselves, must be notified promptly of any loss or damage which may result in a claim. Notice should include:

- a) The policy number and the name of the **Insured**;
- b) Complete details of the **loss** or damage, i.e. how, when and where it occurred;
- c) The items involved;
- d) The names and addresses of any injured persons and of witnesses;
- e) You shall immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim.

2. Notice to authorities

Where the loss is due to theft, fire, collision or **bodily injury**, you shall give immediate notice thereof to the police, the coastguard or any other authorities having jurisdiction.

3. Examination of property

You shall always permit us to inspect the damaged property before authorizing repairs thereto.

4. Protection of Our Rights

You shall not assume any obligation, admit any liability or incur any expense for which we may be liable without our written permission, except expenses incurred to protect the property from further loss.

5. Proof of Loss

You shall provide proof of **loss** by:

- a) Letting us examine the property or the remains thereof;
- b) Providing the necessary any documents to allow us to verify the loss and the amount thereof; and
- c) Allowing us to make copies of such documents.

6. Safeguarding of Property

You must take all reasonable steps to prevent or reduce further **loss** or damage to the insured property, including necessary temporary repairs thereto.

7. Bodily injury

Any person presenting a claim for **bodily injury** must:

- a) Submit to physical examination by physicians of our choice as often as we request;
- b) Permit us to obtain copies of medical reports and other necessary medical records.

SECTION III – GENERAL CONDITIONS (Applicable to all Sections)

1. WARRANTIES

It is warranted that:

- 1) the **insured boat** shall only be used for **pleasure boating**, and shall not be used for commercial purposes;
- 2) the **insured boat** shall not be used in any race or speed test. However, this **warranty** does not apply if the boat is a sailboat or is used in poker run rallies or bass fishing tournaments;
- 3) the **insured boat** shall be out of commission and properly winterized from December 1 to March 31, at 12:01 a.m. local time. The boat shall not be inhabited during that period;
- 4) the **trailer** shall be secured at all times by a recognized tamper-resistant **trailer locking device** specifically designed as such;
- 5) the tail shaft of any insured inboard/outboard motor boat shall be secured with recognized and tamper-resistant anti-theft nuts specifically designed for use on a tail shaft;
- 6) the **insured boat** shall not be used as a principal residence;
- 7) any propane-fuelled appliances or systems shall be designed for marine use and comply with NFPA standard 302;
- 8) when a **marine survey** is required, the **insured boat** shall be kept in dry dock.

Failure to comply with this warranty shall result in denial of coverage for any loss.

- 9) use of the **insured boat** shall be strictly limited to the **Insured** as defined and any pilot at least 16 years of age, or as specified in the Declarations. There is no coverage for damages or actions arising from use of the **insured boat** by any other person.
- 10) the **Insured** shall install and maintain on the **insured boat** an anti-theft or tracking system approved and required by the Insurer for the duration of the term of this insurance. This warranty shall not be binding during the period allowed for installation of the system on the **insured boat**.

Breach of this **warranty** shall result in suspension of coverage for theft of the boat and there will be no coverage for loss or damage related to theft or attempted theft.

- 11) if the Declarations state that water sports are excluded from this insurance, then there shall be no coverage for **bodily injury** or **property damage** arising from the use or operation of the boat, whether or not it is owned by the **Insured** named in the Declarations or any other person covered by this form, while the **insured boat** is being used for water sports involving the towing of persons or of objects transporting persons.

A breach of any of the above **warranties** suspends coverage. The suspension ceases upon the remedy of the breach. No coverage shall exist from the time of the breach.

2. CANADIAN LAW

Unless otherwise stated, this policy is subject to the Marine Insurance Act, S.C. 1993, c. 22, and any amendatory laws thereof.

3. LIMITS OF INSURANCE

Unless otherwise provided herein, we shall not be liable for more than the amount specified in the Declarations for any one loss or series of losses arising from the same occurrence.

4. POLICY PERIOD AND TERRITORIAL LIMITS

Coverage provided by this policy applies only to loss or damage occurring:

- a) during the policy period as stated in the Declarations, effective 12:01 A.M. standard time at the **Insured's** address;
- b) while the insured property is afloat or on shore within the Navigation Limits stated hereafter.

5. NAVIGATION LIMITS

- Inland waters of Canada and the United States of America north of 40° North latitude;
- East Coast:
Between Latitudes 40 and 52 North within the limits of coastal Canadian and United States waters only;
- West Coast:
The coastal waters of the continental part of British Columbia and of the Northern and Western shores of Vancouver Island, including:
 - Puget Sound and neighbouring waters;
 - Juan de Fuca Strait and Portland Canal;
- There shall be no coverage beyond 100 nautical miles from the coasts nor for navigation on the Fraser River east of the mouth of the Sumas River.

6. ABANDONED PROPERTY

We are not liable for nor obligated to accept any property which you abandon.

7. TERMINATION UPON PAYMENT FOR TOTAL LOSS

Coverage shall terminate should we pay a claim for a total loss or constructive total loss. The entire annual premium shall be considered as earned, and any part of such premium which has not yet been paid or is payable shall be paid to us immediately.

8. LEGAL ACTION AGAINST US

No legal action may be brought against us unless there has been full compliance with all terms, conditions and **warranties** of this insurance. Any legal action against us must be commenced within one year after the **loss** or damage occurs, subject to the shortest permissible statutory time limit for legal proceedings as provided under the statutes of the province where the policy is issued. Only the person(s) named in the Declarations may take legal action against us.

9. ARBITRAGE

In the event of disagreement as to the nature, extent or amount of the loss or damage or as to the adequacy of repairs or replacements, such questions shall be determined by arbitration before recovery can be made under this insurance, whether the right to recover under this form is disputed or not, and independently of all other questions.

The Insured and the Insurer shall then each select one appraiser, and the two so chosen shall then select a disinterested arbitrator. Thereafter the two appraisers together shall estimate or appraise the loss or damage, stating separately sound value and damage, or determine the adequacy of repairs or replacements, and, failing to agree, shall submit their differences to the arbitrator.

In case either party fails to name an appraiser within seven clear days after being served with written notice so to do, or in case the appraisers fail to agree upon an arbitrator within fifteen days after their appointment, or in case an appraiser or arbitrator refuses to act or is incapable of acting, or dies, a Judge of a Court having jurisdiction where the arbitration is to be held may appoint such appraiser or arbitrator on the application of the Insured or of the Insurer.

The arbitration award shall be made in writing by the two appraisers, or by one appraiser and the arbitrator. For the surplus, the procedure provided in the Code of Civil Procedure of Quebec shall apply. Each party shall pay the appraiser selected by that party, and shall bear equally the expenses of the arbitration.

10. OTHER INSURANCE

If, at the time of loss, you have other insurance which applies to the loss, or would have applied if this policy did not exist, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance has been used up.

11. ASSIGNMENT

If you assign this policy to a third party, this policy shall be terminated without any further notice.

12. CONCEALMENT, MISREPRESENTATION OR FRAUD

This insurance shall be null and void:

- a) should you commit any fraud; or
- b) should you at any time have misrepresented or concealed any material facts or circumstances relating to this insurance or previous insurance or claims, the insured property, your interest in the insured property, or the previous or current use of the boat.

13. CHANGES TO THE POLICY

This policy contains all the agreements between you and us concerning the watercraft insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made part of this policy.

14. CANCELLATION (TERMINATION OF INSURANCE)

14.1 You may cancel this policy by returning it to us or by written notice stating the date you want the policy to be cancelled. The return premium will be calculated as per the Cancellation Table below, which is based on 181 days because of the seasonal nature of this insurance.

14.2 The **Insurer** may cancel this policy by giving written notice to each **Insured**. Termination takes effect 15 days following receipt of such notice by the **Insured** at his or her last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

CANCELLATION TABLE

Days in force	policy	% of premium retained	Days policy in force	% of premium retained
1-15		16	106-120	66
16-30		23	121-135	75
31-45		28	136-150	83
46-60		35	151-165	91
61-75		41	166-180	99
76-90		50	181 +	100
91-105		58		

15. UNINSURED/UNDERINSURED THIRD PARTY

We will pay the sums an **Insured** would be legally entitled to recover as damages, awarded by judgment rendered by a court having jurisdiction, from the owner or user of an **uninsured boat** or underinsured boat for **bodily injury** resulting from an accident involving such boat, provided such damages exceed the amount payable under the insurance, if any, held by the responsible third party, but we will not be liable for more than the limit of liability stated hereunder. This coverage applies only to the excess over any insurance contracted by the third party.

We will not pay for **bodily injury**:

- 1) sustained by any person, while aboard your boat, caused by another boat owned by an **Insured** or any member of an **Insured's** household;
- 2) sustained by any person while not aboard your boat at the time of the accident;

- 3) that any person has settled, directly or through their legal representative, without our authorization;
- 4) for which payment will be made to another insurer or any person or entity authorized to self-insure by a workers' compensation, disability benefits or any similar law.

Regardless of the number of **Insureds**, the most we will pay for damages arising out of any one accident is \$1,000,000. The limit of liability stated on the Declarations Page for Coverage B – Protection and Indemnity is the most we will pay for any accident payable under both Coverage B and this clause.

This coverage applies in excess of any amount paid or payable under a workers' compensation, disability benefits or any similar law.

See Extensions of Coverage.

16. CANADIAN CURRENCY CLAUSE

All limits of insurance, premiums, settlements and other amounts as expressed in this policy are in Canadian currency.

17. SALVAGE

We are entitled to salvage and may take ownership of any property for which we have paid an indemnity.

18. NO BENEFIT TO BAILEE

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

19. REPAIR CLAUSE

We may, subject to the rights of any lienholder, choose not to effect settlement in cash, and instead repair, rebuild or replace the damaged **insured boat** with property of similar kind and quality, in accordance with generally accepted repair practice or the manufacturer's recommendations.

20. UNAUTHORIZED SETTLEMENTS

No **Insured** shall, except at that **Insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than to protect insured property from further damage.

SECTION IV – COMMON EXCLUSIONS

1. WAR EXCLUSION

This insurance does not apply to loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, capture, insurrection or military power.

2. NUCLEAR EXCLUSION

This insurance does not apply to loss or damage caused directly or indirectly by a nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or a nuclear explosion or by contamination by radioactive material.

3. POLLUTION EXCLUSION

This insurance does not apply to:

- a) Loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants, nor the cost or expense of any resulting clean up, but this exclusion does not apply:
 - if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants is the direct result of a peril not otherwise excluded under this policy;
 - to loss or damage caused directly by a peril not otherwise excluded under this policy.

- b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants.

4. TERRORISM EXCLUSION

This policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism" except for ensuing loss or damage of insured property which results directly from fire or explosion.

Such loss or damage, including business interruption, is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

Additionally, this insurance does not apply to any third party liability for **bodily injury, property damage** (including loss of use arising therefrom), personal injury, medical payments, tenants' legal liability or advertising injury, arising out of terrorism, if these coverages are included in the policy.

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

5. DATA EXCLUSION

- a) This policy does not insure "Data";
- b) This policy does not insure loss or damage caused directly or indirectly by any "Data problem", including business interruption. However, if loss or damage caused by "Data problem", results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, leakage from fire protective equipment, this exclusion (b) shall not apply to such resulting loss or damage, when these risks are covered.

There is no coverage for legal liability for **bodily injury, property damage** or tenants' legal liability arising from any "Data problem", including any loss of use arising therefrom.

Coverage for personal injury liability and advertising liability does not apply to injury arising out of the distribution or display of "Data", by means of a website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "Data".

Media Limitation – Business Interruption

With respect to loss resulting from damage to or destruction of media for, or programme devices pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by an insured peril, the length of time for which the Insured shall be liable shall not exceed thirty (30) consecutive calendar days or the length of time that would be required to rebuild, repair or replace such other property as has been damaged or destroyed, whichever is the greater length of time.

Basis of settlement

With respect to media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, notwithstanding that "data" is not insured, we shall not be liable for more than the cost of reproducing such media, data storage devices, and programme devices duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling "data" for such reproduction.

Definitions

For purposes of this exclusion:

Data means representations of information or concepts in any form.

"Data problem" means:

- erasure, destruction, corruption, misappropriation, misinterpretation of data;
- error in creating, amending, entering, deleting or using data; or
- inability to receive, transmit or use data.

This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

Definitions

For purposes of the following exclusion:

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

Spores includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi"

6. FUNGI AND FUNGAL DERIVATIVES EXCLUSION

This policy does not insure:

- a) loss or damage, including loss due to business interruption, consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
- b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".

Additionally, this insurance does not apply to liability for:

- c) **bodily injury, property damage**, personal injury, advertising injury or medical expenses or any other costs, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any fungi or spores however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean-up, locate, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of fungi or spores; or
- d) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with c) above; or
- e) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in c) or d) above.