

GROUP 24 HOUR ACCIDENT POLICY

SECTION 1 INSURING AGREEMENT

In consideration of the payment in advance of a premium as stated on the Policy Declaration Page of this policy, the Insurer agrees with the Policyholder to insure all eligible persons specified herein (herein individually called the Insured Person) for loss resulting from Injury to the extent herein provided and subject to all of the exceptions, limitations and provisions of this policy.

SECTION 2 EFFECTIVE DATE AND POLICY TERM

This policy is issued for the term as stated on the Policy Declaration Page. It takes effect at **12:01 a.m., Standard Time**, at the address of the Policyholder, from which date all insurance years shall be calculated. It continues in force for the period for which premium has been paid. It may be renewed subject to consent of the Insurer for further consecutive terms, not exceeding **twelve (12) consecutive months**, on payment of premium at the rate and in the amount determined at the time of renewal.

SECTION 3 DEFINITIONS

“Accident” means a sudden, unexpected unusual, specific event which occurs at an identifiable time and place, but shall also include exposure resulting from a mishap to a conveyance in which the Insured Person is traveling.

“Injury” wherever used in this policy means bodily Injury caused by an Accident occurring while this policy is in force as to the Insured Person whose Injury is the basis of claim and resulting, directly and independently of all other causes, in loss covered by this policy, provided such Injury is sustained under the circumstances and as described in Section 10 of this policy, entitled DESCRIPTION OF HAZARDS.

“Immediate Family” means the spouse, or son, daughter, father, mother, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, grandson, granddaughter, grandfather or grandmother of the Insured person.

“Physician” or “Surgeon” wherever used in this policy means a legally and currently qualified doctor of medicine (M.D.), who is not a member of the Insured Person’s Immediate Family, nor resides in the same household and who is licensed to practice medicine in the country, province, state, or territory in which he/she is providing medical treatment or consultation.

“Principal Sum” and “Weekly Accident Indemnity”, “Accident Medical Indemnity” and “Dental Injury Indemnity” wherever used in this policy mean the amounts indicated in Section 8 of this policy entitled SCHEDULE OF BENEFITS.

SECTION 4 AGGREGATE LIMIT OF INDEMNITY

_____ is the aggregate limit of indemnity for which the Insurer shall be liable under this policy for all losses arising out of any one Accident Event. In the event said limit of indemnity for any one such Accident Event is insufficient to pay the full amount of indemnity for each Insured Person then the amount payable for each Insured Person shall be in the proportion that the aggregate limit of indemnity for any one such Accident Event bears to the total amount of insurance that would have been payable except for such limit of indemnity.

“Accident Event” as used herein shall be understood to mean all individual losses arising out of and directly occasioned by one sudden, unexplained unusual specific event occurring at an identifiable time and place. However, the duration and extent of any “Accident Event” so defined shall be limited to **seventy-two (72) consecutive hours** and within a **ten (10) mile radius** for any “Accident Event” hereunder, and no individual loss which occurs outside such period and/or radius shall be included in that “Accident Event”.

SECTION 5 SPECIFIC LOSS ACCIDENT INDEMNITY

When Injury shall result in any of the following losses within **three hundred and sixty-five (365) days** after the date of the Accident, the Insurer will pay according to the following Schedule of Benefits:

For

Accidental Death.....The Principal Sum

For Loss or Loss of Use of

Both Hands.....The Principal Sum
Both Feet.....The Principal Sum
The Entire Sight of Both Eyes.....The Principal Sum
One Hand and One Foot.....The Principal Sum
One Hand and the Entire Sight of One Eye.....The Principal Sum
One Foot and the Entire Sight of One Eye.....The Principal Sum
One Arm..... Three-Fourths of The Principal Sum
One Leg..... Three-Fourths of The Principal Sum
One Hand..... Two-Thirds of The Principal Sum
One Foot..... Two-Thirds of The Principal Sum
The Entire Sight of One Eye..... Two-Thirds of The Principal Sum
Thumb and Index Finger or at least Four Fingers of One Hand.....One-Third of The Principal Sum

For Loss of

Speech and Hearing in Both Ears.....The Principal Sum
Speech..... Two-Thirds of The Principal Sum
Hearing in Both Ears..... Two-Thirds of The Principal Sum
Hearing in One Ear..... One-Quarter of The Principal Sum
All Toes of One Foot..... One-Quarter of The Principal Sum

SECTION 5 SPECIFIC LOSS ACCIDENT INDEMNITY (continued)

For Total Paralysis of

Both Upper and Lower Limbs (Quadriplegia)..... The Principal Sum
Both Lower Limbs (Paraplegia).....The Principal Sum
Both the Upper and the Lower Limb of One Side of the Body (Hemiplegia)The Principal Sum

“Loss” as above used with reference to hand or foot means complete severance through or above the wrist or ankle joint, but below the elbow or knee joint; as used with reference to arm or leg means complete severance through or above the elbow or knee joint; as used with reference to thumb means the complete loss of one entire phalanx of the thumb; as used with reference to index finger means the complete loss of two entire phalanges of the index finger; as used heretofore shall also include “loss of use”; as used with reference to toe means the complete loss of one entire phalanx of the big toe and all phalanges of the other toes; and as used with reference to eye means the irrecoverable loss of the entire sight thereof.

“Loss” as above used with reference to speech means complete and irrecoverable loss of the ability to utter intelligible sounds; as used with reference to hearing means complete and irrecoverable loss of hearing.

“Loss” as above used with reference to quadriplegia, paraplegia and hemiplegia means the complete and irreversible paralysis of such limbs.

“Loss of use” means the total and irrecoverable loss of use provided the loss is continuous for **twelve (12) consecutive months** and such loss of use is determined to be permanent at the end of such period.

Indemnity provided under this section for all losses sustained by any one Insured Person as the result of any one Accident shall not exceed the Principal Sum. Notwithstanding the foregoing, if loss of life due to Accidental death occurs within **one hundred and twenty (120) days** after the date of the Accident for which indemnity is payable, indemnity payable under this section shall not exceed the Principal Sum.

SECTION 6 EXPOSURE AND DISAPPEARANCE

If by reason of an Accident covered by this policy an Insured Person is unavoidably exposed to the elements and as the result of such exposure suffers a loss for which indemnity is otherwise payable hereunder, such loss will be covered under the terms of this policy.

If the Insured Person is not found within **one (1) year** after the date of the disappearance, sinking or wrecking of the conveyance in which the Insured Person was riding at the time of the Accident and under such circumstances as would otherwise be covered hereunder, it will be presumed the Insured Person suffered loss of life resulting from bodily Injury caused by an Accident at the time of such disappearance, sinking or wrecking, and the Insurer shall forthwith pay the Accidental Death benefit under this policy provided that the person or persons to whom such sum(s) are paid shall sign an undertaking to refund such sum(s) to the Insurer if the Insured Person is subsequently found to be living.

SECTION 7 BENEFICIARY

Indemnity payable in the event of the Accidental Death of an Insured Person is payable to the beneficiary as designated in Section 9 of this policy entitled ELIGIBILITY, or if there is no such beneficiary designation indemnity shall be payable to the Estate of the Insured Person. All other indemnities payable are payable to the Insured Person.

SECTION 8 SCHEDULE OF BENEFITS

The insurance afforded under this policy is only with respect to such and so many of the indemnities as are indicated by a specific amount set below each such indemnity listed in this Schedule, and is only with respect to Insured Persons in the classes designated herein.

| <u>Class</u> | <u>Principal Sum</u> | <u>Weekly Accident Indemnity</u> | <u>Accident Medical Indemnity</u> | <u>Dental Injury Indemnity</u> |
|------------------------------------|----------------------|--|-----------------------------------|--------------------------------|
| Class 1 Ages 19 to 69 | \$50,000 | Up to \$500 Commencing on 15 th day of disability for maximum of 26 weeks | \$2,500 | \$2,500 |
| Class 2 Ages 14 to 18 | \$10,000 | Nil | \$2,500 | \$2,500 |

SECTION 9 ELIGIBILITY

For the purpose of this policy, Insured Persons covered herein shall be considered as follows:

All registered volunteers of the Policyholder under the age of eighty (80).

SECTION 10 DESCRIPTION OF HAZARDS

The hazards against which insurance is provided are Injury sustained by the Insured volunteer only whilst such person is performing their material duties under the specific direction of the Insured excluding commuting to and from home or place of business to the location of voluntary work.

SECTION 11 WEEKLY ACCIDENT INDEMNITY

When, commencing within **thirty (30) days** after the date of the Accident, Injury wholly and continuously disables and prevents an Insured Person from performing all the material duties pertaining to his/her normal occupation, the Insurer will pay the Weekly Accident Indemnity stated in Section 8 of this policy entitled SCHEDULE OF BENEFITS for the period the Insured Person is so disabled and under the regular care and attendance of a Physician or Surgeon, other than him/herself, commencing on the **fifteenth (15) day** of disability, not to exceed **twenty-six(26) consecutive weeks** as the result of any one Accident.

SECTION 11 WEEKLY ACCIDENT INDEMNITY (continued)

Where benefits for loss of time payable hereunder, either alone or together with other benefits for loss of time payable under any other insurance contract(s), including another contract of group disability insurance and/or life insurance contract providing disability insurance, or Workers' Compensation Board benefits, exceed **eighty five per cent (85%)** of the Insured Person's net weekly earnings, the Insurer is liable only for the portion of the benefits for loss of time stated in this policy that **eighty five per cent (85%)** of the net weekly earnings of the person insured bears to the aggregate of the benefits for loss of time payable under all such contracts.

"Net weekly earnings" wherever used herein means the Insured Person's normal weekly earnings on the date of the Accident less applicable income taxes.

Benefits provided under this Section are limited to gainfully employed persons **under age sixty-five (65)**.

SECTION 12 ACCIDENT MEDICAL INDEMNITY

When by reason of Injury, an Insured Person requires medical treatment within thirty (30) days from the date of the Accident and incurs expense for any of the following services while under the regular care and attendance of a physician or surgeon, other than him/herself, who is not a member of the Immediate Family of the Insured Person:

1. private duty nursing by a licensed graduate nurse (R.N.) who does not ordinarily reside in the Insured's home or is not a member of his/her Immediate Family;
2. transportation, recommended by a legally qualified physician or surgeon, when such service is provided by a professional ambulance service to the nearest approved hospital which is equipped to provide the required and recommended necessary treatment;
3. hospital charges for the difference between the public ward allowance under the Insured Person's government health insurance plan (GHIP) and the semi-private accommodation charge (private accommodation charge if recommended by a legally qualified physician or surgeon);
4. rental of a wheelchair, iron lung and other durable equipment for therapeutic treatment, not to exceed the purchase price prevailing at the time rental became necessary;
5. fees of a licensed physiotherapist when such treatment has been recommended by a legally qualified physician or surgeon;
6. drugs and medicines purchased by prescription made by a physician or surgeon;
7. miscellaneous expenses for hearing aids, crutches, splints, casts, trusses and braces, but not including replacement thereof;
8. fees of a licensed chiropractor subject to **twenty dollars (\$20)** per visit to a maximum of **three hundred dollars (\$300)** for any one Injury.

SECTION 12 ACCIDENT MEDICAL INDEMNITY (continued)

The Insurer will pay, in addition to any other indemnity payable, the necessary expense actually incurred by the Insured Person within fifty-two (52) weeks after the date of the Accident which is not to exceed in the aggregate the maximum amount payable stated in Section 8 of this policy entitled SCHEDULE OF BENEFITS as the result of any one Accident.

This Section is subject to and shall not contravene any Federal or Provincial statutory requirement with respect to hospital and/or medical plans, nor shall it duplicate any benefits which are provided under any government health insurance plan or any other policy providing a reimbursement expense.

The Insurer shall not be liable for any expense incurred for treatment or services by a legally qualified physician or surgeon.

SECTION 13 DENTAL INJURY INDEMNITY

When Injury to whole or sound teeth, but specifically excluding biting or chewing Accidents, shall, within **thirty (30) days** of the date of the Accident, require treatment, replacement, or x-rays by a legally qualified dentist or dental surgeon, the Insurer will pay the expense actually incurred by the Insured Person within **fifty-two (52)** weeks after the date of the Accident for such treatment or services, which is not to exceed in the aggregate the maximum amount payable as stated in Section 8 of this policy entitled SCHEDULE OF BENEFITS as the result of any one Accident. Capped or crowned teeth shall be deemed to be whole or sound teeth.

Any payments under this Section shall be in accordance with the schedule of fees published by the Dental Association in the Province of the Insured Person's residence. Where no schedule of fees is available, the British Columbia Association Schedule of Fees will be used.

This Section shall not duplicate any benefits provided or paid by government health insurance plan or dental plan, or any other plan providing a reimbursement expense.

SECTION 14 REPATRIATION BENEFIT – NOT APPLICABLE TO THIS POLICY

In the event Accidental Death is sustained by an Insured Person not less than **fifty (50)** kilometers from the Insured Person's normal place of residence and indemnity for such loss becomes payable in accordance with the terms of this policy, the Insurer will, in addition, pay the actual expenses incurred for the transportation of the body of the deceased Insured person to the first resting place (including but not limited to a funeral home or the place of interment) in the proximity to the normal place of residence of the deceased, including charges for the preparation of the body for such transportation, not to exceed in the aggregate the amount of **ten thousand dollars (\$10,000)** for all such expenses.

The above benefit shall only be payable under one of the policies issued by the Insurer and shall not duplicate benefits payable under any other insurance.

SECTION 15 AIRCRAFT COVERAGE

Insurance provided under this policy includes Injury sustained while and in consequence of:

1. riding as a passenger, and not as a pilot, operator or member of the crew, in or on any aircraft having a current and valid certificate of airworthiness and piloted by a person who then holds a current and valid pilot's license of a rating authorizing him/her to pilot such aircraft;
2. riding as a passenger, and not as a pilot, operator or member of the crew, in or on any aircraft operated by the Canadian Armed Forces or by a similar military service of any duly constituted governmental authority of any other recognized country;
3. boarding or alighting from or being struck by any aircraft;
4. notwithstanding (1) and (2) above, this policy excludes Injury sustained while and in consequence of riding as a passenger, pilot, operator or member of the crew, in or on any aircraft owned, operated or leased by the Policyholder.

SECTION 16 EXCLUSIONS

1. This policy does not cover any claims directly or indirectly arising from or in consequence of war or any act of war (whether declared or undeclared), invasion, acts of terrorism or acts of foreign enemies, civil war, rebellion, revolution or insurrection.
2. This policy does not cover claims in any way caused or contributed to by: nuclear reaction, nuclear radiation or radioactive contamination.

Nor does this policy cover any loss, fatal or non-fatal, caused or contributed to by:

3. intentionally self-inflicted Injury, suicide or any attempt thereat while sane, or self-destruction or any attempt thereat while insane;
4. active service in the armed forces of any country;
5. riding as a passenger or otherwise in any vehicle or device for aerial navigation other than as provided in Section 15 of this policy entitled AIRCRAFT COVERAGE.

SECTION 17 TERRITORIAL LIMITS

Worldwide.

SECTION 18 GENERAL PROVISIONS

Written notice of Injury on which claim may be based must be given to the Insurer through their authorized representatives:

SeaFirst Insurance Brokers Ltd.
PO Box 280
Brentwood Bay, BC Canada V8M 1R3

Tel: 250-652-1141 Toll Free: 1-877-655-1141

Fax: 250-652-4427

website: www.seafirstinsurance.com

within **thirty (30) days** after the date of the Accident causing such Injury.

Such notice given by or on behalf of the Insured Person or Beneficiary, as the case may be, to the Insurer, through **SeaFirst Insurance Brokers Ltd.**, with particulars sufficient to identify the Insured Person, shall be deemed to be notice to the Insurer. Failure to give notice within the time provided in this policy shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice during such time and that notice was given as soon as was reasonably possible, but in no event later than **one (1) year** after the date of the Accident.

The Insurer, through **SeaFirst Insurance Brokers Inc.**, upon receipt of such notice, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within **fifteen (15) days** after the receipt of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of such loss upon submitting within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

In the case of claim for loss of time from disability, written proof of such loss must be furnished to the Insurer within **ninety (90) days** after the commencement of the period for which the Insurer is liable. Subsequent written proofs of the continuance of such disability must be furnished to the loss, written proof of such loss must be furnished to the Insurer within **ninety (90) days** after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof during such time and that such proof was furnished as soon as was reasonably possible, but in no event later than **one (1) year** after the date of the Accident.

The Insurer shall have the right and opportunity to examine the person of the Insured Person when and so often as it may reasonably require during the pendency of claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

All indemnities provided in this policy for loss other than that of time on account of disability will be paid within **sixty (60) days** after receipt of due proof.

All moneys payable under this policy are payable in the lawful money of Canada.

Upon request of the Insured Person and subject to satisfactory proof of loss, all of the accrued indemnity for loss of time on account of disability will be paid at the expiration of each **four (4) weeks** during the continuance of the period for which the Insurer is liable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof.

SECTION 18 GENERAL PROVISIONS (continued)

This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No statement made by the applicant for insurance shall void the insurance or reduce benefits hereunder unless contained in a written application signed by the applicant. No agent has authority to change the policy or to waive any of its provisions. No change in this policy shall be valid unless approved by the Insurer and such approval be endorsed hereon or attached hereto.

All statements contained in any such application for insurance shall be deemed representations and not warranties.

No action at law or in equity shall be brought to recover on this policy prior to the expiration of **sixty (60) days** after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within **one (1) year** from the expiration of the time within which proof of loss is required by this policy.

If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss, or commencing an action at law or in equity is less than that permitted by law of the Province in which the Policyholder is located at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

This policy may be cancelled by the Policyholder by mailing to the Insurer, through their authorized representatives, **SeaFirst Insurance Brokers Ltd.**, written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the Insurer by mailing to the Policyholder at the address shown in this policy written notice stating when, not less than **thirty (30) days** thereafter, such cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Policyholder or by the Insurer shall be equivalent to mailing.

Unless otherwise provided in the policy, if the Policyholder cancels, earned premiums shall be computed in accordance with the customary short rate table and procedures. If the Insurer cancels, earned premiums shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected, and if not then made, shall be made as soon as practicable after cancellation becomes effective. The Insurer's cheque or the cheque of their representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due the Policyholder.

The Insurer, through their authorized representatives, shall be permitted to examine the Policyholder's records relating to this policy at any reasonable time, and from time to time until **two (2) years** after expiration of this policy or until final adjustment and settlement of all claims hereunder, whichever is the later.

Additional Agreements and Conditions

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A. STANDARD MORTGAGE CLAUSE (approved by the Insurance Bureau of Canada) - IT IS HEREBY PROVIDED AND AGREED THAT

1. **BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT** - This insurance and every documented renewal thereof--AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN--is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;
PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee--on reasonable demand--from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
2. **RIGHT OF SUBROGATION** - Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that --as to the Mortgagor or Owner--no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **OTHER INSURANCE** - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee--at law or in equity--then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **WHO MAY GIVE PROOF OF LOSS** - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. **TERMINATION** - The term of this mortgage clause coincides with the term of the Policy;
PROVIDED ALWAYS that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. **FORECLOSURE** - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

B. APPLICATION OF DEDUCTIBLE

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

C. COMMERCIAL PROPERTY POLICY CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. **MISREPRESENTATION** - If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. **PROPERTY OF OTHERS** - Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. **CHANGE OF INTEREST** - The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.
4. **MATERIAL CHANGE** - Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. **TERMINATION**
 - i) This contract may be terminated
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered
 - (b) by the Insured at any time on request.
 - ii) Where this contract is terminated by the Insurer,

- (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified, and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
 - iii) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
 - iv) The refund may be made by money, postal or express company money order or cheque payable at par.
 - v) The fifteen days mentioned in clause (a) of subcondition i) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- 6. REQUIREMENTS AFTER LOSS**
- i) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11
 - (a) forthwith give notice thereof in writing to the Insurer
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured
 - (iv) showing the amount of other insurances and the names of other Insurers
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract
 - (vii) showing the place where the property insured was at the time of loss
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
 - ii) The evidence furnished under clauses (c) and (d) of sub-paragraph i) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
- 7. FRAUD** - Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.
- 8. WHO MAY GIVE NOTICE AND PROOF** - Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
- 9. SALVAGE**
- i) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
 - ii) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph i) of this condition according to the respective interests of the parties.
- 10. ENTRY, CONTROL, ABANDONMENT** - After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.
- 11. APPRAISAL** - In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.
- 12. WHEN LOSS PAYABLE** - The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.
- 13. REPLACEMENT**

- i) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.
- ii) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. ACTION - Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year* next after the loss or damage occurs.

* two years in Province of Manitoba and Yukon Territory.

Saskatchewan Statutory Condition 14 is repealed. See The Limitations Act, S.S. 2004, c.L-16.1

15. NOTICE - Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

16. CONTRIBUTION - If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

D. ADDITIONAL CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. 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 thereof to the police or other authorities having jurisdiction.
2. NO BENEFIT TO BAILEE - It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.
3. PAIR AND SET - In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.
4. PARTS - In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.
5. 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.
6. BASIS OF SETTLEMENT - Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
7. SUBROGATION - The Insurer, upon making any payment or assuming liability therefor 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.

E. GENERAL CONDITIONS (Applicable in the Province of Québec)

This policy is subject to the Civil Code of the Province of Québec

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

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

3. LOSSES

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police (applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

- 3.6 Safeguarding and examination of property (Article 2495)
(applicable to property insurance only)
At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.
The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.
He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.
- 3.7 Admission of liability and cooperation
The Insured shall cooperate with the Insurer in the processing of all claims
(The following two paragraphs are applicable to liability insurance only: article 2504)
No transaction made without the consent of the Insurer may be set up against him.
The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.
- 3.8 Right of action (Article 2502)
(applicable to liability insurance only)
The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.
4. COMPENSATION AND SETTLEMENT
- 4.1 Basis of settlement (Articles 2490, 2491, 2493)
(applicable to property insurance only)
Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.
In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.
If the amount of insurance is less than the value of the property the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity in the event of partial loss.
- 4.2 Pair and set (applicable to property insurance only)
In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.
- 4.3 Parts (applicable to property insurance only)
In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.
- 4.4 Replacement (Article 2494)
(applicable to property insurance only)
Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.
- 4.5 Time of payment (Articles 1591, 2469 and 2473)
The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.
Any outstanding premium may be deducted from the indemnity payable.
- 4.6 Property of others (applicable to property insurance only)
Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.
- 4.7 Waiver
Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.
- 4.8 Limitation of actions (Article 2925)
Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.
- 4.9 Subrogation (Article 2474)
Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. OTHER INSURANCE

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his 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.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "premium actually paid" mean the premium actually paid by the Insured to the Insurer or its representative but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.