

CHES MATE PLEASURE CRAFT INSURANCE

SECTION I – INDEMNITY AGREEMENT

The Insurer shall provide the insurance described in this policy and any endorsements attached, based on the information declared in the application for insurance (including any other supplemental forms, questionnaires or declarations), in consideration of payment of the premium and subject to the terms and conditions set out herein. This policy contains conditions, limitations, warranties and exclusions, which apply at all times. The Insurer has agreed to accept the risk of insuring the Insured Pleasure Craft on the condition that the Insured will comply strictly and literally with the conditions, limitations, warranties and exclusions set out herein. If the Insured breaches any of these conditions, warranties and limitations, the Insurer is not liable to pay any claim arising thereafter, regardless of whether or not such breach is causative or in any way connected to such claim.

SECTION II – PROPERTY INSURANCE

PART A – Pleasure Craft (Property Insured)

1. Insuring Agreement

The Insured Pleasure Craft while afloat or on shore, or while being transported on a land vehicle within the navigation limits described on Declarations Page and attached to this policy, subject to the conditions, limitations, warranties and exclusions contained herein, is covered against all direct physical loss and/or damage.

- Including loss or damage resulting from a latent defect in the propulsion components or hull (excluding delamination) of the Insured Pleasure Craft, excluding the cost of repairing or replacing the defective part.

2. Trailer

The Insurer will pay for physical damage to the trailer only when it is a trailer used exclusively for the transportation of the Insured Pleasure Craft. The Insurer will not pay for liability defence or damages for property or Bodily Injury for which the Insured becomes liable through the ownership, maintenance or use of the trailer.

3. Deductible

- a) Each Claim will be treated separately, and the amount claimed shall be reduced by the deductible amount shown on the Declarations Page. The deductible shall also apply to any Total Loss or any loss considered a Constructive Total Loss;
- b) Where there are two (2) or more insured losses resulting from the same occurrence, they will be treated as one Claim. If two (2) deductibles of different amounts are applicable, the highest deductible will apply;

PART B – Personal Effects

This Part B does not apply unless coverage is provided under Section II, Part A and indicated on the Declarations Page.

Personal Effects while kept in the Insured Pleasure Craft are covered for any damage covered by this policy, up to the amount stated on the Declarations Page while on board the Insured Pleasure Craft or while being embarked or disembarked. This does not cover accounts, bills, currency, money, notes, securities, letters of credit, tickets, passports and documents, sporting equipment where the loss or damage results from its use, firearms, works of art, jewellery, contact lenses, artificial teeth or limbs, portable or cellular phones, prescription and non-prescription eye glasses, computer hardware and software. The Insurer does not cover breakage of fragile Personal Effects such as, but not limited to, chinaware, porcelain, and glassware.

1. Exclusions – Applicable to PROPERTY INSURANCE – Parts A and B

This policy does not insure loss or damage:

- a) caused by wear and tear, deterioration (including marine life), mooring, grazing, marring, tearing, scratching, denting, chipping, or bumping. This exclusion does not apply to loss or damage resulting from infestation by striped mussels and rodents;
- b) caused by mechanical breakdown, corrosion, rust, dampness of atmosphere or weathering;
- c) resulting from intentional acts or wilful misconduct of any person insured under this policy;
- d) resulting directly from ice, freezing, or extremes of temperature;
- e) caused by theft of the Insured Pleasure Craft while on a trailer, unless the trailer has been rendered inoperable through the use of a locking device specifically designed for that purpose;
- f) caused by theft by any person or persons residing in the same dwelling or premises as the Insured, or by any employee of the Insured engaged in operating, selling, equipping, repairing, maintaining, servicing, storing, parking, or moving the Insured Pleasure Craft whether the theft occurs during the hours of such service of employment or not;
- g) theft of an outboard engine unless it was protected with anti-theft locknuts;
- h) to any property illegally acquired, kept, stored or transported, or property subject to forfeiture;
- i) to any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire.
- j) while the Insured Pleasure Craft is being used for illegal purposes;
- k) if the Insured Pleasure Craft operated or participated in any race, contest, meet or speed test. The racing exclusion does not apply to sailboats.
- l) any loss or damage to water sports Equipment while being used.

2. Special Conditions – Applicable to PROPERTY INSURANCE – Parts A and B

- a) Abandoned properties

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The Insurer is not obligated to assume responsibility for or to take over the possession of property abandoned by the Insured.

b) No benefit to bailee

No person or organization acting as bailees may benefit from this insurance.

- g) Bodily Injury to any Insured;
- h) any type of loss or damage caused while the Insured Pleasure Craft is being used for or in conjunction with any commercial purposes;
- i) if the Insured Pleasure Craft is being used for carrying passengers or goods for compensation;
- j) if the Insured Pleasure Craft is being rented or leased to another person;
- k) if the Insured Pleasure Craft is being operated illegally or used for any illicit or prohibited trade or transportation;
- l) if the Insured Pleasure Craft operated or participated in any race, contest, meet or speed test. The racing exclusion does not apply to sailboats.

SECTION III - PROTECTION AND INDEMNITY - LIABILITY INSURANCE

PART A - Pleasure Craft Liability

1. Insuring Agreement

We agree to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the ownership, maintenance, use or operation of the Insured Property resulting from Bodily Injury to or death of any person or damage to their property. The Insurer has the right to settle or defend any such claims, as the Insurer considers appropriate. The Insurer's obligation to settle or defend ends when the limit of liability indicated on the Declarations Page is exhausted.

2. Supplementary payments

If legal action is taken against the Insured for compensatory damages covered by Section III, Part A of this policy, the Insurer will bear the costs and expenses for assuming the defence of such action, in addition to the limit of liability under Section III, Part A. The Insurer will also pay:

- a) premiums on appeal bonds required in any action the Insurer defends in accordance with the Insuring Agreement in Section III, Part A;
- b) interest on the Insurer's portion of the judgment which is earned before the Insurer makes payment;
- c) loss of earnings (but not of other income) of up to fifty dollars (\$50) per day for the Insured's attendance at court proceedings at the Insurer's request;
- d) other reasonable and customary expenses incurred at the Insurer's request.

3. Exclusions - Applicable to Section III, Part A

This insurance does not apply to:

- a) Bodily Injury or Property Damage expected, intended or caused by the Insured;
- b) Property Damage to property owned, rented, used or in the care, custody or control of the Insured;
- c) any obligation of an Insured under any workers compensation or longshoremen and harbour workers compensation law or similar law;
- d) any liability assumed under any contract or agreement unless that legal liability would have applied if no contract or agreement had been in force;
- e) any liability arising out of the transportation of the Insured Pleasure Craft on land;
- f) any liability arising out of water sports activities necessitating the use of a parachute, kite or similar object;

4. Uninsured and Underinsured Boater Coverage

In the event of an accident where the Insured Pleasure Craft or its operator are not deemed at fault, the Insurer will pay for Bodily Injury sustained by the Insured or any person insured by this policy as a result of an accident with an uninsured third party or vessel or Underinsured Vessel, subject to the following conditions:

- a) An Insured must be occupying the Insured Pleasure Craft at the time of the accident.
- b) The Insurer will only respond to claims that the Insured would be legally entitled to recover from the third party after a judgment of a court of competent jurisdiction is obtained. The Insurer is only liable for the difference between the limits payable under the third party's liability insurance, if any, and the limits of liability under Section III, Part A of the policy as shown on the Declarations Page. This coverage will only apply in excess of any other collectible insurance available from third parties.
- c) The maximum amount the Insurer will pay, regardless of the number of injured persons, is the limit of liability for Protection and Indemnity as shown on the Declarations Page.
- d) In circumstances involving a Claim under Section III and the coverage provided by this endorsement, the Insurer will not pay more than the limit of liability shown on the Declarations Page arising out of any one (1) accident.
- e) This coverage does not apply if a governmental body owns the third party vessel or is owned or operated by a person insured by this policy.

5. Removal of Wreck

If the Insured is legally obligated to remove or to otherwise dispose of the wreck of the Insured Pleasure Craft, the Insurer will pay the amount necessary to attempt or to actually remove or otherwise dispose of the wreck, or the amount of the penalty the Insured is legally obligated to pay for failing to do so, whichever is less.

6. LIMIT OF LIABILITY

Non-owned Vessel Coverage

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The amount of insurance shown for Protection and Indemnity on the Declarations Page is the maximum the Insurer will pay in accordance with Section III, Part A. The coverage under this section is extended to cover the legal liability imposed upon the Insured by reason of their operation of a private pleasure craft which is not exceeding forty (40) feet and not: owned; leased; hired or chartered by the Insured.

However, this extension of coverage shall not in any way cover the Insured's liability for any physical loss or damage to such non-owned vessel, its equipment, furnishings or cargo. Further, this extension of coverage shall be in excess of all other valid liability insurance protecting the Insured in respect of the same event and shall not contribute therewith.

7. Spill Liability Limit

The limits of insurance are shown on the Declarations Page of the policy. In the event of a Claim under Section III, Part A Liability Insurance and the Spill Liability the maximum amount recoverable under this policy is subject to the limit for Protection and Indemnity on the Declarations Page, not the sum of both limits on the Declarations Page.

PART B - Longshoremen and Harbour Workers

Compensation

When insurance is provided under Section III, Part A, insurance is also provided under Section III, Part B, subject to the Limit of Liability under Section III, Part A.

1. Insuring Agreement

If a Claim is made against the Insured for Bodily Injury resulting from the ownership, maintenance or use of the Insured Pleasure Craft, and for which the Insured is legally liable under the provisions of any longshoremen or harbour workers compensation law, the Insurer will pay the amount for which the Insured is liable. The Insurer will carry out the provisions of the law, and the Insurer will not be relieved of liability due to the insolvency or bankruptcy of the Insured.

PART C - Medical Fees

The Insurance Amount for Medical Fees stipulated on the Declarations Page is the maximum amount the Insurer will pay for any necessary medical services arising out of the use of the Insured Pleasure Craft, caused by an accident regardless of the number of persons injured, unless such payments are not permitted by law.

PART D - Accidental Death

If the Insured, the Insured's spouse or their dependant children suffer an accidental death while the Insured Pleasure Craft is in the course of navigation, the Insurer will compensate the estate of the deceased person:

- a) \$15,000.00 for the death of the Insured;
 - b) \$15,000.00 for the death of the Insured's spouse;
 - c) \$ 5,000.00 for the death of any dependant child;
- provided that death occurs within twelve (12) months following the date of the accident.

The payment of a loss under this section does not constitute an admission of liability on the part of the Insured or on the part of the Insurer.

SECTION IV - EXTENSIONS OF COVERAGE

1. Emergency Navigational Extension

Should the Insured exceed the Navigational Limits, shown on the Declaration and attached to this policy, for any reason beyond the Insured's control then the policy will remain in force. However the Insured must notify the Insurer as soon as reasonably possible and pay any additional premium required.

2. Loss of Use

The Insurer will pay up to the amount indicated on the Declarations Page to rent a similar vessel if the Insured Pleasure Craft is damaged in an accident covered by this policy, provided acceptable receipts for the rental of a vessel similar to the Insured Pleasure Craft are presented.

3. Emergency Towing

If Emergency Towing cover is indicated on the Declarations Page then the Insured will pay up to the amount indicated on the Declarations Page, per occurrence, toward the cost of towing the Insured Pleasure Craft to a repair facility, regardless of the cause of breakdown. Subject to presentation of receipts and acceptable evidence of loss.

SECTION V - WARRANTIES

The following warranties, and any additional warranties in this policy or on the Declarations Page, must be strictly complied with. Any breach of the warranties will void this policy and the Insurer will not be liable to pay any claim regardless of whether or not such breach is causative or in any way connected to the claim.

1. Lay Up

It is agreed that the Insured Pleasure Craft must be laid up on land and duly winterized during the period from November 15th to April 15th inclusive. The Insured Pleasure Craft must not be inhabited during this period of time.

2. Private Pleasure Use Only

It is agreed that the Insurer does not provide coverage while the Insured Pleasure Craft and other property insured by this policy is on exhibition, rented to others, used to carry persons or property for compensation or hire, or used for or in conjunction with any commercial purposes, unless the Insurer has agreed to such coverage in writing.

3. Propane Appliances

It is agreed that no propane refrigerator(s), propane heater(s) or propane furnace(s) with a pilot light is, or will be, installed on board the Insured Pleasure Craft during the term of this policy. With respect to propane stoves and propane water heaters with a pilot light, the propane system will be shut off at the manual

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shut-off valve on the cylinder at all times when the Insured Pleasure Craft is left unattended.

4. Navigational Limits

It is agreed that the coverage provided by this policy does not apply to loss or damage occurring in waters outside those described under "navigational limits". This warranty excludes such situations covered under Section IV item 1.

5. Operator Competency

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

SECTION VI – GENERAL CONDITIONS

1. Integrity of Contract

This policy contains all the agreements between the Insured and the Insurer in regard to the Insured Pleasure Craft insurance. The terms of this policy shall not be changed or waived except by an endorsement prepared by the Insurer.

2. Policy Period and Territory

The Insurer covers only those losses that occur during the period this insurance is in force, as stipulated on the Declarations Page, and:

- while the Insured Pleasure Craft is being transported by a land vehicle and within the Navigational Limits specified on the Declaration Page and attached to this policy; or
- while the Insured Pleasure Craft is afloat and within the Navigational Limits specified on the Declaration Page and attached to this policy.

3. Navigational Limits

As described on the Declaration Page and attached to this policy

4. Prohibited Uses

The Insurer will not pay for loss or damage caused by an occurrence if the Insured drives or operates the Insured Pleasure Craft, or permit, allow or connive at the use of the Insured Pleasure Craft by others:

- unless the driver is authorized by law;
- unless the driver is qualified to drive or operate the Insured Pleasure Craft and possesses such proof of competency (as defined by Transport Canada);
- unless the driver is over the age of sixteen (16) years or such other age as prescribed by law to drive this type of Insured Pleasure Craft;
- if the Insured Pleasure Craft is used for any illicit trade or transportation; and
- if the Insured Pleasure Craft is used in any race or speed test, however this does not apply to sailboats.
- if the Insured Pleasure Craft is used for any Parasailing including the use of a parachute, kite or similar object.

5. Misrepresentation or Concealment

Any misrepresentation or concealment by the Insured of any facts known to them, which are likely to

materially influence the Insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, voids this policy at the option of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

6. Hold Harmless

The Insurer gives permission for the Insured to sign Hold Harmless agreements with yacht clubs, marinas and other authorities where such agreements are necessary and customary.

7. Action Against the Insurer

No legal action may be brought against the Insurer unless:

- there has been full compliance with all provisions of this policy, and;
- the action is started within one (1) year after the accident.

8. Abandonment of the Insured's Rights

If, after a loss, the Insured abandons their right of recovery from anyone responsible for the damages incurred, including any carrier or bailee, this policy becomes null and void in regard to this Claim. The Insurer maintains their right to retain or recover the premium.

9. Subrogation

If the Insurer indemnifies a person, directly or on his or her behalf, where that person has the right of recovery from a third party, the Insurer shall be subrogated to that right. That person so indemnified shall cooperate fully with the Insurer in the exercise of their rights to recover the amounts paid. If the person indemnified recovers damages from the party responsible, that person shall hold the proceeds of the recovery in trust, and shall reimburse the Insurer to the extent of the amount(s) the Insurer has paid.

10. Loss Settlement

Payment of loss will be made within thirty (30) days following an agreement to settle with the Insured, a final judgment or upon receipt of a judgment rendered through arbitration.

11. Basis of Settlement

Hull & Machinery

In the case of a Total Loss or any loss considered a Constructive Total Loss or if the reasonable costs to salvage and repair the Insured Pleasure Craft exceed the amount of insurance shown as on the Declarations Page, the Insurer will pay the Actual Cash Value of the Insured Pleasure Craft at the time of loss or damage, up to such amount of insurance. In the case of a partial loss, settlement shall be made on the basis of Actual Cash Value at the time of such loss.

Trailer

In the case of a loss, settlement shall be made on the basis of Actual Cash Value at the time of such loss.

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Personal Effects

In the case of a loss, settlement shall be made on the basis of Actual Cash Value at the time of such loss.

In the event of loss or damage, we will pay the lowest of the following amounts:

- a) The limit shown on the Declarations Page;
- b) the Actual Cash Value at the time of loss;
- c) the cost to repair less depreciation.

We have the option to make or reimburse for repairs or replacements or to pay you directly based on an agreed estimate of loss. We reserve the right to repair or replace the Insured Property. Under no circumstances will our liability exceed the amount indicated on the Declarations Page.

12. Pairs and Set Clause

In the case of loss or damage to any item, which is part of a set, the measure of loss of or damage to such item shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean a total loss of set.

13. Racing

For any losses sustained by any Insured Pleasure Craft, which is a sailboat, while racing, a deductible of 2.5% of the amount of insurance as shown on the Declarations Page shall apply. This deductible is subject to a maximum of \$10,000 and a minimum of \$2,500 for each and every claim. If the deductible on the Insured Pleasure Craft is greater than \$10,000 this clause will not apply.

14. Salvage

The Insurer has the right to recover any salvage as a result of loss or damage for which payment is made under this policy.

15. Unrepaired Damage

The Insurer is not liable to pay for any damage which has not been repaired and which adds to the cost of repairs for a subsequent loss.

16. The Insurer's Option to Repair

Subject to the legal rights of any lien holder, the Insurer may repair, reconstruct or replace the damaged Insured Pleasure Craft in accordance with recognized repair practices, or on the recommendations of a shipbuilder, with other property of like kind and quality.

17. Disagreement - Arbitration

In the event of a disagreement as to the nature and extent of the repairs and replacements required as well as to their adequacy, and independent of any litigation regarding the validity of this contract, such matters may be referred to an arbitration process subject to consent in writing between the Insured and Insurer.

From that moment:

- a) the Insured and Insurer shall each select one appraiser;
- b) the two so chosen:
 - i. shall select a disinterested arbitrator;
 - ii. shall estimate or appraise the loss or damage, stating separately sound value and damage, or determine the adequacy of such repairs or replacements, and, failing to agree;
 - iii. shall submit their differences to the arbitrator.

In case either party fails to name an appraiser within seven (7) days clear from the time arbitration was agreed to, or in case the appraisers fail to agree upon an arbitrator within fifteen (15) 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 in the county or district in which the arbitration is to take place may approach such appraiser upon the request of the Insured or the Insurer.

The decision shall be made in writing by the two (2) appraisers, or by one (1) appraiser and the arbitrator. Such decision shall be binding on the Insured and the Insurer.

Each party shall pay the appraiser selected by them, and shall bear equally the other expenses of the arbitration and of the arbitrator.

18. The Insurer's Rights

After a loss, no action on the Insurer's part to recover or protect the property from further damage, nor any action the Insurer may take in regard to the investigation or adjustment of the loss, constitutes a waiver of any of the Insurer's rights.

19. Reinstatement

Any loss paid under this policy shall not reduce the applicable amount of insurance. In the event of a Total Loss of the Insured Pleasure Craft, the full premium shall be considered earned, (no refund is payable for cancellation). Any new acquisition will require the issuance of an endorsement to the policy for the balance of the term insured and payment of an additional premium.

20. Other Insurance

If, at the time of loss, there is other valid and collectible insurance that would apply in the absence of this policy, then this policy will be considered excess insurance over and above such other insurance.

21. Submission of a Claim

The Insurer will not be liable for any loss or damage or medical expenses unless a Claim is made within twelve (12) months of the date of occurrence, except in Québec where claims may be made within thirty-six (36) months of the date of occurrence (twenty-four [24] months if the Insured's liability is involved).

22. Unauthorized Settlements

The Insured must not, except at their own cost, voluntarily make any payment, assume any

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obligations or incur expenses, other than first aid expenses necessary at the time of the accident or expenses to protect property from further loss.

23. Transfer of Interest

If the Insured sells, transfers or pledges the Insured Pleasure Craft (or a share of it), coverage will cease without further notice to the Insured unless such change is accepted by the Insurer in writing.

24. Cancellation

Due to the seasonal nature of the coverages provided by this policy, in the event that the Insured effects cancellation, the following Short Rate Cancellation table will be applied on all risks cancelled during the term as follows (subject to the policy's minimum retained premium):

Month	Retained Premium (%)
January	Nil
February	Nil
March	5%
April	10%
May	10%
June	20%
July	20%
August	20%
September	10%
October	5%
November	Nil
December	Nil

25. Data Exclusion - Direct Damage

- A.
- This policy does not cover Data.
 - This Policy does not cover loss or damage caused directly or indirectly by Data Problems, however, if loss or damage caused by Data Problems results in the occurrence or further loss of or damage to the Insured Pleasure Craft that is directly caused by: fire; explosion; smoke; leakage from fire protective equipment; lightning; impact by aircraft, watercraft or automobile; windstorm or hail; earthquake; tsunami; flood; freeze; weight of snow.
- This exclusion b) shall not apply to such resulting loss or damage.
- B. Records: The liability of the Insurer under this Policy for loss or damage to:
- Books of accounts, drawings, card index systems and other records, other than as described in b) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said record;
 - Media, data storage devices, and program devices for electronic and electromechanical data processing or for electronically controlled

equipment, notwithstanding that Data is not covered, shall not exceed the cost of reproducing such media, data storage devices, and program devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or Data for such reproduction.

26. Data Exclusion

The Insurer shall not be liable under this Policy for losses directly or indirectly caused by Data Problem.

If Data Problem results in direct physical loss of or damage to the Insured Pleasure Craft caused by: fire; explosion; smoke; leakage from fire protective equipment; lightning; impact by aircraft, watercraft or automobile; windstorm or hail; earthquake; tsunami; flood; freeze; weight of snow.

27. Terrorism Exclusion

This Policy does not insure Bodily injury or Property Damage arising directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury or Property Damage.

28. War Risks

This insurance does not apply to Bodily Injury or Property Damage due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

29. Nuclear Exclusion

The Insurer do not insure claims arising from Bodily Injury or Property Damage which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers.

30. Privacy

The Insurer respects the Insured's privacy and is committed to protecting it. The Insurer collects, uses and discloses the personal information, which an Insured gives for the purposes of providing the Insured with insurance services. An Insured's information may be disclosed to others in the medical, investigative, credit and insurance fields as necessary to underwrite and administer the insurance and pay benefits. Full details of the Insurer's privacy policy may be accessed at www.echelon-insurance.ca.

SECTION VI - LOSS PROVISIONS (Duties After a Loss Occurs)

In the event of any loss, damage or occurrence that is covered by this policy, the Insured must:

1. Protect From Further Loss

The Insured must take all reasonable and lawful steps to protect the Insured Property from further loss. Any

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further loss resulting from the Insured's failure to protect from further loss will not be recoverable under this policy. The Insurer will pay the reasonable costs the Insured incurs in preventing further loss, excluding personal labour.

2. Notify the Insurer

The Insured must give immediate notice to the Insurer of any occurrence that may result in a claim under this policy. The Insured must give notice of all facts relevant to the loss, when, where, how, and the names and addresses of the persons and witnesses involved. Any legal papers or notices received must be immediately forwarded to the Insurer. The Insurer reserves the right not to pay any claim presented after one (1) year from the date the loss or damage occurs.

3. Notify the Authorities

The Insured must give immediate notice to the relevant authorities of loss or damage to the Insured Property.

4. Permit Survey

The Insured must permit the Insurer to inspect damages and conduct testing, the extent of which shall be at the Insurer's sole discretion, before repairs are made or before it is removed or disposed of.

5. Preserve the Insurer's Rights

The Insured must not admit liability, assume any obligation, or incur any expenses for which the Insurer is or may become liable without written permission from the Insurer, except those reasonable and customary expenses required to protect the Insured Property from further loss.

6. Cooperate with the Insurer

- a) The Insured must obtain repair specifications, bids and estimates from alternate sources if requested.
- b) The Insured must permit the Insurer to examine any records the Insurer requires to verify the loss or its amount.
- c) The Insured must cooperate in the investigation, defence or settlement of any loss and agree to be examined under oath if the Insurer makes such a request.
- d) The Insured must allow examinations by physicians of the Insurer's choice, when relevant to the loss.
- e) The Insured must provide written authorization for the Insurer to obtain copies of all prior medical and hospital records, when relevant to the loss.
- f) The Insured must provide the Insurer with copies of other insurance policies or health coverages that may cover the loss.

After the Insurer receives all statements and supporting documents, the Insurer will promptly consider the Insured's claim. Upon the agreement of a settlement amount, if applicable, the Insurer may ask the Insured to complete a notarized Proof of Loss or Release Form. After submission of the Proof of Loss or Release Form, payment will be issued to the Insured and any lienholder and/or repair yard. If the Insured

does not provide any requested papers within one (1) year of the loss, the claim(s) will be voided.

If the Insured fails to comply with any of these provisions, there will be no recovery under this policy.

SECTION VII - DEFINITIONS

When capitalized in this policy the term:

"Actual Cash Value" means the cost of replacement less any depreciation, and in determining depreciation the Insurer will consider the condition immediately before the damage occurred, the resale value, and the normal life expectancy.

"Bodily Injury", means bodily injury, sickness, disease or accidental death.

"Claim(s)" means all losses relating to a single event that are covered by this insurance.

"Constructive Total Loss" means a partial loss where the damage is so extensive that repairs would cost as much or more than the repaired property would be worth or the amount of insurance.

"Data" means representations of information or concepts in any form.

"Data Problem" means: i) erasure, destruction, corruption, misappropriation, misinterpretation, misinterpretation of data; ii) error in creating, amending, entering, deleting or using Data; or iii) inability to receive, transmit or use Data.

"Insured" means the person named as the Insured on the Declarations Page and any other person or organization using the Insured Pleasure Craft with the Insured's permission and without compensation.

"Insured Pleasure Craft" means the vessel described on the Declarations Page and includes the hull, the propulsion components, navigational and communication, instrumentation, in-board material and equipment and other Portable Equipment and related items usual to the ownership, use and operation of a pleasure craft. The Insured Pleasure Craft must be licensed by Transport Canada

"Insured Property" means the Insured Pleasure Craft, trailer, tender, auxiliary motor and Personal Effects as listed on the Declarations Page.

"Insurer" means Echelon General Insurance Company.

"Medical Fees" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services.

"Navigational and Communications Equipment" means equipment used specifically to guide the Insured Pleasure Craft, including CB radio, VHF radio, depth sounder, sonar

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and radar, forming part of the equipment on board the Insured Pleasure Craft.

"Parasailing" means the Insured using the Insured Pleasure Craft to tow a person in a device designed for flight.

"Personal Effects" means clothing, sports equipment and other personal property owned by the Insured or a member of the Insured's family, the Insured's guests or unpaid volunteer crew members, and which are not kept on board the Insured Pleasure Craft during the entire navigational season.

"Portable Equipment" means any life-saving and security equipment, paddles, fenders, anchors, cordages and downriggers.

"Property Damage" means physical damage to, or destruction of, tangible property.

"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 in the public or a section of the public.

"Total Loss" means the condition of the Insured Pleasure Craft when damage is so extensive that the repair cost would exceed the value of the Insured Pleasure Craft.

"Uninsured Vessel" means a vessel for which neither the owner nor the operator has liability insurance to cover Bodily Injury, or a vessel that cannot be identified.

"Underinsured Vessel", means a vessel for which the limit of liability insurance carried by an identified third party is less than the limit of liability under Section III, Part A of this policy as shown on the Declarations Page.

"Waterskiing" means the Insured using the Insured Pleasure Craft to tow a person on water skis or other floatation devices.

"Warranty" means a promise by you that some particular thing shall or shall not be done or that some condition shall be fulfilled or that a particular state of affairs does or does not exist. A warranty must be strictly complied with and if it is not insurance cover ceases as from the date of the breach of warranty.