

POLICY TERMS AND CONDITIONS

PERSONAL WATERCRAFT (PWC) - ON, MB, SK

INSURING AGREEMENT

We agree to provide the insurance described in this policy if You pay premiums and if the Insured person(s) comply with the terms of the policy.

The application form, this policy, together with the current Declaration Page(s) and any endorsements form the legal contract ("Contract") between You and Us, summarize the coverages and limits We have agreed to provide and the period for which they are provided.

DEFINITIONS

We have written your Pleasure Craft Policy in clear, easily understood language, which includes the following terms defined as follows:

INSURED PERSONS:

"We," "our" and "us" mean the insurance company that has written the policy. "You," "your" and "yours" mean the named insured on the Declaration Page.

"Insured" means you, members of your family who reside with you, and other persons or organizations using the Vessel with your prior permission, other than any person employed in any capacity whatsoever by any owner of the Vessel. The term "insured" does not include any paid Captain or other paid crew member of your Vessel.

Each part of your policy gives you important information on a different aspect of your insurance.

INSURED PROPERTY:

Vessel: means the craft specified in the Declaration to which this wording is attached and its equipment normally used on board for its operation and maintenance. This includes furnishings and supplies, and includes integrated, semi-integrated and outboard motors, their equipment and related accessories, as well as other on-board and related auxiliary equipment necessary for the functioning of the vessel.

Personal Effects: means clothing, sports equipment not insured under a more specific clause in this policy, and other personal property. It does not include money, traveler's cheques, securities, valuable papers, passports or other documents, jewelry, furs, fine arts, cameras, eyeglasses, laptops (including iPads and tablets) or cellular phones.

Electronic Navigation Equipment: means sonars, Loch, Marine VHF radios, short wave radios, GPS, Loran C, automatic pilot, anemometers.

Trailer: means the trailer described in the Declaration page and used exclusively for transporting the vessel on land.

TERMS RELATED TO COVERAGE:

Bodily Injury means all injuries including sickness or death, suffered by any person as a result of an accident or occurrence.

Property damage means physical damage or loss of the property insured.

Private pleasure: means that the boat is used for private recreational purposes only.

Emergency expenses: means the fees associated with rescuing and towing the insured boat to the closest marina or ship repair facility and includes fire extinguishing services.

Limit of Insurance means the indicated limits for every coverage provided under this policy.

reasonable means the actions that a prudent person must take or accept to protect the insured interests; this must not be:

- i. insufficient
- ii. excessive
- iii. extreme

Claim means an event or a series of events or occurrences that may give rise to a claim the cause of which is both accidental and fortuitous in nature.

RESTRICTIONS ON THE USE OF THE VESSEL

In order to keep this policy in effect you must make and keep certain promises. These are known as warranties. The following warranties apply to this insurance.

1. The Vessel must be used solely for Private Pleasure Purposes. The Vessel must not be chartered or leased or used, directly or indirectly, for any commercial purpose.
2. All operators of the vessel must hold a valid Pleasure Craft Operator Card
3. The Vessel will only be used within navigable inland and coastal waters of Canada and United States of America North of latitude forty degrees North, no further than one hundred and sixty kilometers from shore.
4. The Vessel must not be used in any race or speed test.
5. The vessel must not be used for wakesurfing, wakefoiling or hydrofoiling activities.
6. If any of the above warranties have been breached, you will have no coverage under this Policy from the time of that breach.

SECTION A - VESSEL AND EQUIPMENT

We cover the Vessel and equipment normally used on board for its operation and maintenance. This includes furnishings and supplies. Coverage under this section is provided whether you own the equipment or it is owned by someone else. The Vessel and its equipment are covered while afloat, stored ashore, or in transit by truck, ferry, rail, trailer or aircraft. The Vessel and its equipment are not covered while being carried on an ocean vessel or any barge.

ADDITIONAL COVERAGES:

Electronic Navigation Equipment: We also cover on board or ashore the electronic Navigation Equipment of the insured Vessel, the value of which must be included in "Hull & Machinery" shown on the Declaration Page.

Personal Effects: We cover anyone's personal effects while on board the insured Vessel. This coverage is subject to a separate limit, as shown on the Declaration Page, for all losses arising out of any one accident or event.

Loss of Use Expenses: In the event of a Loss covered by this Policy whereas a result of the Loss You are deprived of the use of the Vessel, we will pay up to a maximum of \$500 for the rental of a substitute vessel.

Reimbursement of Emergency Expenses: Notwithstanding anything contained in the policy to the contrary, it is agreed and understood, we will pay the reasonable commercial towing and labour cost incurred as a result of any breakdown of the insured pleasure craft, including running out of fuel, up to an amount not exceeding the amount shown on the Declarations Page for Reimbursement of Emergency Expenses per incident. Towing is defined as from the location of the breakdown, until the insured pleasure craft is berthed as its home port or to the nearest repair or fuel facility, whichever is the lesser in distance. Coverage is not extended to the cost of fuel nor contributes to the cost of any repair required as a result of the breakdown.

Loss Expenses: In addition to any other payments, we will also pay for all reasonable expenses you incur for salvage of your Vessel or protecting the property from further damage following a covered loss. Our limit of coverage under this clause is the same as shown on the Declaration Page for Hull & Machinery. But in no case can any expense used to establish a Total Loss be collected under this clause.

New Acquisitions: We cover any vessel(s), tender(s) or trailer(s) you acquire during the Policy period provided the new acquisition is advised to Us within fifteen days of the acquisition date and You pay any additional Premium required. This does not apply to the following:

- i. Vessel(s) valued in excess of \$25,000.
- ii. Vessel(s) not compliant with the above Warranties.

LOSSES COVERED

We will pay for direct loss or damage of an accidental or fortuitous nature to the Vessel, its equipment, and personal effects from all risks not excluded. This includes damage from insects, vermin, rodents and striped mussels provided that direct loss or damage is sudden, accidental or fortuitous in nature.

LOSSES NOT COVERED

We will not pay for loss:

1. Caused by your failure to use reasonable care in the maintenance of the Vessel.
2. Intentionally caused by you or with your consent.
3. Nor damage or expense which occurs during the operation of the Insured Vessel where any Insured:
 - i. is under the influence of intoxicating liquor or drugs, including Marijuana, to such an extent as to be, for the time being, incapable of the proper control of the Insured Vessel;

- ii. is in a condition for which an Insured can be or is convicted of an indictable offence under the Criminal Code of Canada.
- 4. We will not cover any increased cost of loss or damage resulting from or in consequence of obsolescence.
- 5. Caused by or resulting from any of the following defects or conditions: faulty design, faulty workmanship, the installation or use of improper or defective materials, wear and tear, gradual deterioration, or corrosion, oxidation, rust and electrolysis.
- 6. Overheating of any part of the machinery or mechanical breakdown due to wear and tear or maintenance, or negligence.
- 7. Loss or damage resulting directly or indirectly from ice, freezing or extremes of temperature.
- 8. Freezing while vessel is laid-up, unless you provide a receipt that proves that the vessel winterization was paid for and performed by a licensed marine mechanic, boat repair facility or a reputable marina.
- 9. Due to unexplained disappearance of equipment or personal effects from the Vessel. This exclusion does not apply if the Vessel shows signs of forced entry or forcible removal.
- 10. Caused by delay or loss of use.
- 11. Theft (**See Theft Clause**)

HOW WE SETTLE A LOSS

Total Loss of the Vessel and Its Equipment:

For all vessels **FIVE years** old and under, we pay the Limit of Coverage shown on the Declaration Page. For all vessels **SIX years** old and older, we pay Actual Cash Value as defined below. If the Vessel is a total loss, settlements are made without application of the deductible, except in the event of loss or damage caused by racing and/or theft, each as defined below, which shall be subject to the deductibles detailed below. Total Loss means that:

- i. the Vessel is completely lost or destroyed; or
- ii. the reasonable cost to recover and repair the Vessel is **greater than 80%** of the Limit of coverage shown on the Declaration Page for Vessel and Equipment.

Partial Loss of the Vessel and Its Equipment:

For all vessels **FIVE years** old and under we pay the cost to repair or replace the damaged parts with new material. For all vessels **SIX years** of age or older, all partial losses will be settled on Actual Cash Value basis applying full deduction for depreciation.

All partial losses are subject to the following:

- i. At our option, we pay in accordance with either generally accepted shipyard practices; or the specifications or recommendations of the Vessel's builder.

Each loss is subject to the deductible shown on the Declaration Page, or as below. The most we will pay for a partial loss is the amount of insurance shown on the Declaration Page reduced by the deductible. If the loss or damage is caused by fire not originating from your Vessel, or results from collision caused by another vessel, no deductible will apply.

Actual Cash Value: The Actual Cash Value will consider such things as the cost of the replacement less any depreciation or obsolescence, and in determining depreciation, the condition immediately before the damage, the resale value, and the normal life expectancy. We will pay the lesser of:

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

Unrepaired Damage to the Vessel and Its Equipment: In no event will we pay for unrepaired damage in addition to a total loss.

Personal Effects: We pay the lesser of the following, less the deductible: the Actual Cash Value of the property immediately preceding the loss, or the amount shown in the Declaration Page.

OTHER DEDUCTIBLES APPLICABLE TO ALL LOSSES:

Unless otherwise stated on the Declaration page, the min deductible for any Hull & Machinery loss is \$500 or 1% of the limit of insurance (Whichever is greater)

We will adjust each claim for an insured loss to the Vessel separately. The amount of each adjusted claim will be automatically reduced by the Deductible amount shown on the Declaration Page. We will treat two or more insured losses resulting from the same accident or occurrence as one claim. In the event a single accident or occurrence gives rise to a Claim where more than one deductible would apply, only the highest applicable deductible will be deducted.

- 1. **Theft Clause:** Whilst the vessel is on a trailer, theft of vessel is excluded unless there's clear evidence of forcible entry or forcible removal AND compliance with One of the following conditions prior to the time of loss:
 - i. The Vessel and motor are on a Trailer which is equipped with a wheel clamp locking mechanism.
 - ii. The Vessel and motor are on a Trailer which is equipped with a hitch coupler locking mechanism.
 - iii. The Vessel, motor and Trailer are protected by a functioning motion sensor burglar alarm system.
 - iv. The Vessel, motor and Trailer are locked to the towing vehicle.

- v. The Vessel and motor are on a Trailer which is secured by having a chain inserted through both wheel hubs and locked with a padlock or through one-wheel hub and the frame of the Trailer and locked with a padlock.
- vi. The Vessel and motor are on a Trailer which is chained to an immovable object (such as a tree or building) and locked with a padlock.
- vii. The Vessel and motor are on a Trailer which is inside a locked building or compound.

Receipts are required in case of theft at the time of loss, to show compliance with points (i) to (iii) above. This deductible shall apply in case of theft, in addition to the deductibles shown on the Declaration page of this policy.

SECTION B - PROTECTION & INDEMNITY

LOSSES COVERED

We cover all damages or costs which an insured is legally required to pay because of:

1. Bodily injury;
2. Property damage, including damage to another vessel;
3. Wreck removal, meaning expenses that result from raising, removal or destruction of the wreck of the insured Vessel when such removal is compulsory by law; or from the failure to do any of the above. But the protection under this paragraph (#3) continues for only one year from the date of the accident;
4. Rescue of persons on the insured Vessel.

The insured's liability must arise out of the ownership, maintenance or use of the insured Vessel. The injury or damage which gives rise to the liability must occur while this policy is in effect. The Limit of Coverage for Liability shown on the Declaration Page is the most we will pay for losses covered under this section which arise from one accident, or a series of accidents caused by the same event.

LOSSES NOT COVERED

1. We will not cover any damage intentionally caused by or with the consent of an insured.
2. We will not cover any damages for bodily injury for any covered person or his or her dependents where the ultimate beneficiary is the offending party or defendant.
3. We will not cover any damages for bodily injury for which a covered person or entity named on the Declarations Page or a family member can be held legally liable, in any way, to a spouse, a family member, a person who lives with you, or a person or entity named on the Declarations Page.
4. We will not cover any cost or expense for which an insured becomes liable as a result of discharging or releasing any fuel, chemicals, waste or other pollutants. But this exclusion does not apply if the discharge or release is sudden and accidental.
5. We will not cover fines or penalties against an insured.
6. We will not cover liabilities which an insured assumes under a contract or agreement.
7. We will not cover property damage or bodily injury arising out of the use of the vessel for Parasailing, Paragliding or Hang Gliding.
8. We will not cover property damage or bodily injury arising out of the transportation of the insured Vessel on land.

ADDITIONAL COVERAGES

If You Use Someone's Vessel: If, as an individual, you or members of your family who reside with you have permission to use someone else's Vessel for private pleasure, this section of the policy and its limits will apply during such use. We will pay for losses only after all other insurance covering the loss has been exhausted. This limitation will apply whether you or the Vessel's owner has the other insurance. But we will not pay for damage to or loss of the other person's Vessel.

Uninsured and Underinsured Boater Protection: We will pay for bodily injuries sustained by you or any person insured by this policy, as a result of an accident with a Third Party uninsured or underinsured watercraft, subject to the following conditions:

1. An insured person must be occupying a watercraft insured by this policy at the time of the accident
2. This policy will only respond for claims which you would be legally entitled to recover from the Third Party after a Judgment of a court of competent jurisdiction is obtained. We are only liable for the difference between the limits payable under the Third Party's liability insurance, if any, and the sum insured granted under this extension as shown in the Declarations Page
3. This coverage will only apply in excess of any other collectable insurance available from third parties.
4. The maximum amount we will pay, regardless of the number of injured persons, is the limit of liability as shown on the Declarations Page for Uninsured/Underinsured Boater Protection
5. In circumstances involving a claim under Section B - Protection and Indemnity and the coverage provided by this Endorsement, we will not pay more than \$2,000,000.00 any one accident or occurrence.

6. This coverage does not apply if a Third-Party watercraft is owned by a governmental body or is owned or operated by a person insured by this policy.
7. Once payment is made under this coverage, we will reserve the right to subrogate against the Third Party for any amounts we pay plus expenses
8. For the purposes of this Endorsement, an Uninsured Watercraft means a watercraft for which neither the owner nor the operator has liability insurance to cover bodily injuries of a watercraft which cannot be identified.

Defense Costs: In the event a claim is made, or a suit is brought regarding a loss which is covered under the terms of this policy, we will defend the insured. Payments for the cost of legal defense will be in addition to payments we make under Coverage for Liability but subject to the Limit of Coverage for Liability written on the Declaration Page for Protection and Indemnity. Claims for liability which include defense costs shall therefore be subject to a total aggregate maximum of the amount shown for liability on the declaration page and no amount shall be payable in excess of such figure. We have the right to select the attorneys. We have the right to settle the claim or suit.

Longshore and Harbor Workers' Compensation Act: If a premium is shown on the Declaration Page for Liability claims, we will cover any compensation payments the insured is responsible for under the Longshore and Harbor Workers' Compensation Act as long as the insured's responsibility arises from ownership or use of the insured Vessel.

Hold Harmless Agreements: Permission is hereby granted for You to sign Hold Harmless agreements with Yacht Clubs, Marinas and other third parties when required to facilitate the moorage, storage or operation of Your Vessel. Provide copy to us at our request.

SECTION C - MEDICAL PAYMENTS

If any person, apart from **You** as defined above, is injured while boarding, on board, or alighting from the insured Vessel, we will pay reasonable medical and/or funeral expenses if incurred within one year after the date of the injury.

Limits of Payments: The Limit of Coverage shown on the Declaration Page is the most we will pay for any one accident. This overall limit applies whether one or more people are injured in the accident.

Who Will Be Paid: Medical payments may be made directly to the injured person or to the person or organization that provided the treatment.

No Admission of Liability: The fact that we make a medical payment does not mean that legal responsibility for the injury is admitted.

When We Will Not Make Medical Payments: Medical expenses are not covered under this section:

1. When the insured has contractually assumed liability for the injured person.
2. For injuries suffered by persons employed to maintain or repair the Vessel or by any other employees while they are engaged in their employment.
3. When injuries are incurred by the Insured.
4. For injuries to the extent to which benefits are payable under any Provincial or Federal medical scheme.
5. For bodily injury sustained while in, or upon boarding or leaving the insured Vessel without a reasonable belief that the injured person is entitled to be on board the insured Vessel.

SECTION D - DUTIES AFTER A LOSS

If there is a loss, or claim filed, which may be covered under this policy, the insured must do the following:

1. Take all reasonable steps to protect the property from further loss. Taking steps to protect damaged property does not grant any right to abandon the property. If we take steps to protect the damaged property, it does not mean we are accepting abandonment of the property.
2. Notify your broker or agent or us immediately.
3. In case of theft, also notify the local police.
4. In case of collision or bodily injury, also notify the Coast Guard.
5. Obtain the names and addresses of involved parties or witnesses.
6. Make the Vessel available for our inspection prior to commencement of repairs.
7. Promptly give us a signed detailed statement of the loss or claim. Provide all available bills, invoices or other documents when required to prove the claim.
8. Cooperate with us in our investigation of the loss and our defense of any claim. Promptly send us any legal papers relating to the accident. The insured must not assume any liability or make any admission of fault.
9. Preserve any right of recovery from others. When we pay the loss, the right of recovery passes to us up to the amount of payment.
10. Transfer your rights in the Vessel to us, if we request it, upon payment for a Total Loss.

SECTION E - GENERAL CONDITIONS

The following rules apply to all sections of this Vessel Policy:

1. **War & Terrorism:** This policy does not cover loss, damage or liability that is caused by or results from war, warlike operations, terrorism, or any civil unrest.
2. **Nuclear Activity:** In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
 - i. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
 - ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
 - iii. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
3. **Transfer of Vessel or Insurance:** This policy becomes void if you sell, assign, transfer or pledge the Vessel or this policy.
4. **Illegal Use:** This policy becomes void if you use or allow your Vessel to be used for any illegal purpose.
5. **Concealment or Fraud:** This policy is void if you conceal, misrepresent or fail to disclose any material fact or circumstance pertaining to this insurance.
6. **Canceling this Policy:** You may cancel this policy by returning it to us or by notifying us in writing when at a future date cancellation is to take effect. We may cancel this policy by notifying you and the named loss payee(s), if any, in writing of the date cancellation will take effect. This cancellation notice, sent by Certified or Registered Mail to you at your mailing address shown on the Declaration Page, will be proof that you were notified. We must mail the notice to you at least 15 days before the effective date of such cancellation. When this policy is cancelled, any premium refund will be calculated from the date of cancellation to the expiration date. When you cancel this policy the return premium owed to you will be calculated on short rate basis, less the minimum retained premium, and the policy fees shown on the Declaration page. When we cancel, the return premium will be Pro Rata less the minimum retained premium, and the policy fees shown on the Declaration page. There shall be no cancellation or return of premium if we have paid for a Total Loss of the Vessel. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund within a reasonable time after the date of cancellation takes effect.
7. **Other Insurance:** If both this insurance and other insurance apply to a loss involving the insured Vessel, we will pay our share. Our share will be the proportionate amount that this insurance bears to the amount of all applicable insurance.
8. **Payment of Loss:** We will pay for losses covered under this policy within 60 days after we receive proof of the loss that is satisfactory to us.
9. **Suits against Us:** Any suit against us to recover under this policy must be brought within one year after the event out of which the loss or damage arose. However, if the laws of the province where the policy was issued do not permit such a one-year limitation, suit must be brought within the shortest period an Insurance Company can set under the law.
10. **Non-Waiver Provisions:** No action on our part, after the loss, to recover or save the property from further loss, nor any action which we may take in connection with the investigation of any loss will be considered as a waiver of any of our rights under this policy.
11. **Impairment of Recovery:** After a loss, we assume your rights to recover damages from any carrier, bailee, or other party who may be liable to you, and you are not permitted under this policy to waive any such rights.
12. **Subrogation:** If we make payment of a loss to anyone or on behalf of anyone who has a right to recover damages from others, we will take over that person's right to recover the damages, and that person must then cooperate with us in our effort to recover the amount which we paid. If we make payment for a loss to anyone or on behalf of anyone who recovers damages for that loss from others, that person will hold the proceeds of the recovery in trust for us and will reimburse us to the extent of our payment.
13. **Conformity to Provincial Statutes:** Any provision in this policy that conflicts with any Provincial Statute is hereby amended to conform to the minimum requirements of the Provincial Statute.
14. **Liberalization Clause:** If, at any time during the policy period, we make form revisions which would broaden the coverage under this policy, these changes will immediately apply to this policy and no additional premium will be required from you.

10/11/2003

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
 - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL.370

LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

29/07/10

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MARINE CYBER EXCLUSION

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

- 1 In no case shall this insurance cover any loss, damage, liability or expense directly or indirectly caused by, contributed to by or arising from:
 - 1.1 the failure, error or malfunction of any computer, computer system, computer software programme, code, or process or any other electronic system, or
 - 1.2 the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

LMA5402

11 November 2019

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393
25 March 2020

LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints

Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec)

H3B 2V6 Tel: 1-877-455-6937 - Fax: (514) 861-0470

E-mail: info@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint. In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

To obtain information on the Code of Consumer Responsibilities (1565C) and Notice Concerning Personal Information (1543C) please visit <http://www.pacificmarine.ca/marine-insurance/products-services>

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PRIVACY: NOTICE CONCERNING PERSONAL INFORMATION

Who we are: We are the Lloyd's underwriter(s) identified in the insurance contract and/or the certificate of insurance. Your privacy is important to us. This Privacy notice explains what personal information we collect, use and disclose about policyholders, beneficiaries, claimants and witnesses and for what purposes, in compliance with applicable Canadian privacy laws.

What personal information we collect: Personal information is any information about an identified and or identifiable individual. The personal information that is collected for a clear and legitimate use and disclosure generally includes the following:

- Identification and contact information (name, address including postal code, country, telephone number, email address, month and date of birth, drivers licence, employer, job title, employment history, family details)
- Policy information (policy number, policy amounts, policy terms)
- Claim information (claim number, information relating to a potential or existing claim)
- Payment information (credit card details, bank account details, credit score)
- Other information related to your insurance cover or a claim only for legitimate business purposes

We also collect personal information about you when you visit www.lloyds.com. Further details can be found on our online Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

How we use your information: By purchasing insurance from certain Lloyd's Underwriters ("Lloyd's"), a customer provides Lloyd's with his or her explicit consent to the collection, use and disclosure of personal information. Meaningful consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is generally collected, used, disclosed and stored in order to provide you with the insurance products that you have requested, including to:

- Identify you and provide you with insurance cover
- Communicate with Lloyd's policyholders
- Calculate, collect or refund premiums
- Underwrite policies and facilitate policy administration
- Evaluate and process claims
- Detect and prevent fraud, carry out anti-money laundering and sanctions checks
- Investigate and prosecute fraud
- Meet our regulatory and other legal obligations
- Enforce terms or exercise rights under the insurance contract
- Analyze insurance risk and business results
- Improve our services and offerings
- Provide general client care
- Defend or prosecute legal claims
- Renew your insurance policy
- Transfer of books of business, company sales and reorganizations or as may be otherwise required or authorized by law.

Your information may be shared and disclosed;

In order to fulfil the purposes described in this Privacy notice, we may share your personal information with other third parties that we have engaged to provide services on our behalf, or who otherwise assist us in providing you with services, such as affiliated organizations, sub-contractors, agents/coverholders, legal counsel, insurers, brokers, reinsurers, loss adjusters and other service providers.

We will limit this disclosure to only the Personal Information that is reasonably necessary for the purpose or service for which the third party or affiliate will provide. We will use contractual and other means to provide a comparable level of protection while the information is being processed by these service providers, including limiting such providers to using your Personal Information solely to provide Lloyd's with the specific service for which they were engaged, and for no other purpose. You can obtain more information about our policies and practices with respect to the use of Personal Information by Third Party Service Providers by contacting us as described below, under the section "How to Contact Us" at the end of this document.

Some of these entities may be located outside Canada, therefore your information may be processed in a foreign jurisdiction, where it will be subject to the laws of that jurisdiction, which may be different than the laws in your province. Personal information that is stored or processed outside Canada may also be accessible to the law enforcement and national security authorities of that jurisdiction.

We may also share or transfer your Personal Information where reasonably required in the context of a sale, merger or amalgamation of all or part of our business or the insurance or securitization of our assets. In any such case, the recipient parties will be contractually required to keep the information confidential and use it only for the purposes of the transaction, or proposed transaction, in question. In the event a business transaction is affected, assignees or successors of Lloyd's or our business or assets, or those of our affiliated entities, may use and disclose Personal Information only for the purposes as set out in this Privacy notice, unless further consent is obtained.

We may also share your Personal Information with law enforcement, national security agencies or other governmental officials, as required or permitted by law, such as in response to a court order or a verified request relating to a criminal investigation or alleged illegal activity, where we are legally obligated to contribute information to compulsory insurance databases, or where required to detect, prevent, or prosecute fraud. Classification: Confidential

Authority to collect, use and disclose personal information

When you share information with us for particular purposes, such as providing you with insurance, you give us explicit consent to collect, use and disclose your information for those purposes. Canadian law also authorizes us to collect, use and disclose personal information without consent in certain circumstances prescribed by law, which may include the following:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next of kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction where obtaining consent would compromise the availability or accuracy of the information
- Witness statement necessary to assess, process or settle insurance claims
- Information that is produced in the course of an individual's employment, business or profession

There may be situations where we need your additional consent to collect, use, and disclose information about you. In those situations, we will ask you for consent separately. You do not have to give your consent and, subject to legal and contractual restrictions, you can withdraw your consent to us collecting, using and disclosing your information at any time. However, withdrawing your consent may affect our ability to provide you with insurance cover or other services.

Retention and security

We retain personal information for as long as necessary to provide you with insurance cover and meet the other purposes for collection, use and disclosure described in this Privacy notice, or as otherwise required or permitted by law. When your Personal Information is no longer required, we will make all reasonable efforts to ensure all electronic and hard copies of such information are securely destroyed and irreversibly deleted from our systems.

We use various physical, technical and administrative security measures, appropriate to the sensitivity of the personal information, that are designed to protect against loss, theft, unauthorized access, disclosure, copying, use or modification by. Although we will take reasonable measures to protect personal information, the transmission of information through the internet or other electronic means is not guaranteed to be secure and may create risks for the privacy and security of your information.

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How to access your personal information

Subject to certain exceptions provided by applicable law, you have the right to access your personal information, request corrections about your personal information if you identify any inaccuracies, and request that we delete your information. If you would like to exercise any of these rights, please contact the Ombudsperson at info@lloyds.ca.

The Ombudsperson can also provide additional information about Lloyd's policies and practices, answer questions about the collection, use, disclosure or storage of personal information by Lloyd's and its service providers located outside Canada, as well as discuss any complaints you may have regarding the collection, use and disclosure of your personal information. Classification: Confidential

Changes

We may amend this Privacy notice from time to time as our business evolves, in response to legal developments, as new technologies become available, or as we introduce new features, products or services.

When we make changes to wording of this Privacy notice we will revise the "last updated" date at the bottom of this Privacy notice. You should check back here periodically to find out if any changes have been made to this Privacy notice. If we make substantial changes we will, as appropriate prominently post these changes to our Site or notify registered Users directly.

How to contact us

Further information about Lloyd's personal information protection policy may be obtained by visiting, <https://www.lloyds.com/lloyds-around-the-world/americas/canada/market-conduct> from your broker, or by contacting Lloyd's by phone: 514 861 8361, 1 877 455 6937 or email: info@lloyds.ca.

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Code of Consumer Rights and Responsibilities

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

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V. July 2020