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# SASKATCHEWAN EXTENSION SNOWMOBILE POLICY

## THIS POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

For the purposes of the Insurance Companies Act (Canada), this document was issued in the course of Lloyd's Underwriters insurance business in Canada.

## INTRODUCTION

On the understanding that the information you have given us in your application for this policy is correct, we provide the insurance described in this policy, subject to the limits, terms, conditions, provisions and exclusions stated herein, in return for payment of the premium.

This policy is a contract between you and us. It consists of this document and the Summary of Coverage page. The Summary of Coverage page shows your name and/or organization, particulars of your snowmobile(s) as well as the coverages, deductibles, endorsements and policy limits that apply. This document describes the various coverages and sets out the terms, exclusions and conditions that apply to your insurance. It is divided into 5 parts as follows:

**Part 1 - General Definitions:** defines certain words and terms used throughout the policy.

**Part 2 – Snowmobile(s) to Which this Policy Applies:** tells what coverages apply to your own snowmobile(s) described in this policy and to certain snowmobile(s) you do not own but for which you are responsible.

**Part 3 – General Provisions and Exclusions:** sets out certain provisions and exclusions that apply to all policy coverages.

**Part 4 – Coverages:** describes the coverages that are available. There are four coverages sections, as follows:

**Section A (Third Party Liability)** – describes insurance for your legal liability and the legal liability of certain other persons for bodily injury, death or property damage caused by a snowmobile you own or use.

**Section B (Accident Benefits) – Not Available.**

**Section C (Loss or Damage to Your Snowmobile)** – describes the insurance for loss of or damage to your snowmobile.

**Section D (Endorsements)** – consists of endorsements which apply if shown on the Summary of Coverage page. An endorsement may extend or limit a particular coverage, or add new coverage.

*You may not have insurance for all the coverages described in Part 4. You are insured only for the coverages for which a premium is shown on the Summary of Coverage page.*

All limits and amounts shown in this policy are in Canadian funds.

**Part 5 – Statutory Conditions:** lists the conditions required by *The Saskatchewan Insurance Act* or a successor act for all snowmobile insurance policies written in Saskatchewan.

In providing the insurance set out in this policy, we rely on the accuracy and truth of any information you give us at our request. Misrepresentation or violation of any condition(s) of this policy renders claims invalid. *The Saskatchewan Insurance Act* or a successor act includes the following provision:

**Where:**

(a) *an applicant for a contract:*

(i) *gives false particulars of the described snowmobile to be insured to the prejudice of the Insurer; or*

(ii) *knowingly misrepresents or fails to disclose in the application any fact required to be stated therein;*

(b) *the Insured contravenes a term of the contract or commits a fraud; or*

(c) *the Insured wilfully makes a false statement in respect of a claim under the contract; a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.*

## **PART 1 – GENERAL DEFINITIONS**

The following definitions apply to all parts of this policy unless the word or term is otherwise defined in the policy.

When used in this policy:

**“farm use vehicle”** means a vehicle used in the operation of a farm.

**“garage personnel”** means a person(s) in the business of selling, repairing, maintaining, storing, servicing or parking snowmobile(s).

**“Insured”** means a person insured by this policy, whether named as an Insured or not, who holds a valid driver’s licence.

**“licence insurance”** means the third party liability insurance as provided by *The Automobile Accident Insurance Act (Saskatchewan)* or a successor act.

**“nuclear energy hazards”** means radioactive, toxic, explosive or other hazardous properties of substances described in Regulations made under the *Nuclear Safety and Control Act (Canada)* or a successor act.

**“operator”** means the driver and any person while in, on or getting onto or off a snowmobile. The word “person” as used in this definition may include a person under the age of twelve years

provided always that they are not the driver of the snowmobile.

**“organization”** means a corporation, unincorporated association or partnership.

**“policy period”** means the period from the date and time this policy becomes effective until the date and time it expires. The policy period is shown on the Summary of Coverage page.

**“private passenger vehicle”** means a vehicle used solely for personal transportation, including the carriage of goods intended for the use or enjoyment of the owner of the vehicle or members of the owner’s household, but not including, in respect of a person’s business, work or employment, the carriage of passengers or of goods.

**“properly registered in Saskatchewan”** means properly registered in accordance with all the requirements of *The Traffic Safety Act (Saskatchewan)* or a successor act relating to the registration and licensing of snowmobile(s) in Saskatchewan.

**“snowmobile”** means a vehicle that is used as a private passenger vehicle or as a farm use vehicle; that is not equipped with wheels but is equipped with tractor treads alone or with skis or with skis and a propeller; or is a toboggan equipped with tractor treads or a propeller; is designed primarily for operating over snow and is used exclusively for that purpose; is designed to be self propelled; and does not weigh more than 500 kilograms.

**“spouse”** means your legal husband or wife, a person with whom you are cohabiting and have cohabited as a spouse continuously for a period of at least two years; or, if you are the natural or adoptive parents of a child, for a period of at least one year.

**“successor act”** refers to an enactment of Saskatchewan or Canada which addresses the same subject matter as a repealed statute or regulation referenced herein.

**“we”, “our”, “us”** or the **“Insurer”** means Certain Lloyd’s Underwriters.

**“you”, “your”,** or the **“Named Insured”** means the person or persons named as Insured on the Summary of Coverage page.

## **PART 2 – SNOWMOBILE(S) TO WHICH THIS POLICY APPLIES**

In this part we explain what is meant by the word **“snowmobile”** as used in the various coverages of this policy.

### **1. Under Coverage Sections A (Third Party Liability) and C (Loss or Damage to Your Snowmobile), “snowmobile” means:**

- (a) a **“described snowmobile”** which can be either of the following:
  - (i) a snowmobile properly registered in Saskatchewan. The insurance provided by this policy for the described snowmobile will apply to any snowmobile(s)

you own or lease while properly registered to you provided the registration is valid and has not expired or has not been cancelled, suspended or revoked;

or,

- (ii) a towed conveyance specifically described on the Summary of Coverage page, or within the description of insured snowmobile(s) set out in this policy.

**and:**

- (b) a **“newly acquired snowmobile”** which can be either of the following:

- (i) a replacement snowmobile that is a snowmobile you acquire as owner (or as lessee, if the lease is more than 30 days) which has no other insurance except licence insurance and which replaces a snowmobile specifically described on the Summary of Coverage page. The replacement snowmobile will have the same coverages as the described snowmobile it replaces. You must, however, tell us about the replacement snowmobile within 14 days from the day you take possession of it and pay us any additional premium we may require, otherwise, the insurance under this policy will not apply to it after the 14 days have expired.

or,

- (ii) an additional snowmobile that is a snowmobile you acquire as owner (or as lessee, if the lease is more than 30 days) which is in addition to and does not replace a described snowmobile. All the following conditions must be met before the insurance under this policy will apply:

- (A) you must tell us about this snowmobile within 14 days from the day you take possession of it and pay us the additional premium we require;
- (B) the additional snowmobile must be properly registered in Saskatchewan in your own name;
- (C) all other snowmobile(s) you own must be insured by us under a snowmobile insurance policy for the coverage for which claim is made;
- (D) you must have no other insurance on the newly acquired (additional) snowmobile, other than licence insurance; and
- (E) you must not be in the business of selling snowmobile(s).

2. **Under Coverage Section A (Third Party Liability) only, “snowmobile” includes a “temporary substitute snowmobile”** that is a snowmobile not owned by you or by anyone living in your home, while temporarily used as a substitute for the described snowmobile while the described snowmobile is not in use by any person insured by this policy because of its breakdown, repair, servicing, loss, destruction or sale. *[Please refer also to clause 1(c) of the Additional Agreements of Section C which describes insurance under Section C that applies to a temporary substitute snowmobile.]*

3. **Under Coverage Section A (Third Party Liability) only, “snowmobile” includes a “temporary non-owned snowmobile” which means:**

- (a) If the Named Insured is an individual or husband and wife, any snowmobile other than the described snowmobile, while personally driven by you or by your spouse, if your spouse is living with you, provided that such other snowmobile is not:
  - (i) owned, leased, or regularly or frequently used, by you or by anyone living in your home;
  - (ii) owned, hired, leased by, or registered in the name of your employer or an employer of anyone living in your home;
  - (iii) being used by you or anyone living in your home in connection with the business of selling, repairing, maintaining, servicing, storing or parking snowmobile(s); or
  - (iv) being used to carry passengers or goods for any kind of payment;
- (b) If the Named Insured is an organization, any snowmobile other than the described snowmobile, while personally driven by the employee or partner of the Named Insured for whose regular use the described snowmobile is furnished, or by his or her spouse, if the spouse is living with such employee or partner, provided that:
  - (i) neither such employee or partner, or his or her spouse owns or leases a snowmobile;
  - (ii) such other snowmobile is not owned, leased or regularly or frequently used, by the Named Insured or by such employee or partner or by anyone living in the home of such employee or partner;
  - (iii) such employee or partner, or his or her spouse is not using such other snowmobile in connection with the business of selling, repairing, maintaining, servicing, storing or parking snowmobile(s); and
  - (iv) such other snowmobile is not being used to carry people or goods for any kind of payment;

- (c) If the described snowmobile is properly registered in Saskatchewan and is other than the described snowmobile, while personally driven by any child living in your care and in your home, provided that such other snowmobile is not:
    - (i) owned, leased or regularly or frequently used by you or by anyone living in your home;
    - (ii) owned, hired or leased by or registered in the name of your employer or an employer of anyone living in your home;
    - (iii) being used in connection with the business of selling, repairing, maintaining, servicing, storing or parking snowmobile(s); or
    - (iv) being used to carry passengers or goods for any kind of payment;
  - (d) If the Named Insured is an organization, the word “child” as used in clause 3(c) refers to a child living in the care and in the home of the employee or partner of the Named Insured for whose regular use the described snowmobile is furnished, but only if:
    - (i) neither such employee or partner or anyone living in his or her home is the owner or lessee of a snowmobile; and
    - (ii) such other snowmobile is not owned, leased or regularly or frequently used by the Named Insured or by the employee or partner of the Named Insured for whose regular use the described snowmobile is furnished, or anyone living in the home of such employee or partner.
4. “Lease” used in clause 3 above, refers to a snowmobile leased for a period of more than 30 days.
5. **Under Coverage Section A (Third Party Liability) only, “snowmobile” includes a towed conveyance** that is used in connection with the snowmobile, which is properly registered in Saskatchewan, and the towed conveyance is not designed or used:
  - (a) to carry passengers,
  - (b) for demonstration purposes, or
  - (c) to carry goods for a fee.

## **PART 3 – GENERAL PROVISIONS AND EXCLUSIONS**

### **I PROVISIONS**

The following provisions apply to all coverages.

1. **Territory:** The insurance provided by this policy applies only while the snowmobile is in Canada or the United States of America or while on a ship sailing between the ports of

these two countries.

**2. Two or More Snowmobile(s):**

- (a) When two or more described snowmobile(s) are insured under this policy, each described snowmobile is considered to be insured under a separate policy. With respect to the use or operation of a snowmobile you do not own, the limit of our liability will not exceed the highest limit applicable to any one described snowmobile.
- (b) If two or more snowmobile(s) are insured in your name as described snowmobile(s) under two or more policies, either with us or another insurance company, and loss or damage arises from the use or operation of a snowmobile you do not own, we will pay our share of the amount of the loss or damage for which you are insured. Our share under this policy will be the proportion that the highest limit applicable to any one described snowmobile in this policy bears to the total of the highest limits applicable under each policy. In no event will we pay more than this proportion of the highest limit applicable to any snowmobile described in this or any other policy.
- (c) A snowmobile with one or more towed conveyance attached will be considered to be one snowmobile with respect to the limit(s) of liability under Coverage Section A (Third Party Liability) and separate snowmobile(s) with respect to the limit(s) of liability, including any deductible amount, under Coverage Section C (Loss or Damage to Your Snowmobile).

**II EXCLUSIONS - Losses we do not insure**

The following exclusions apply to all coverages. Other exclusions applying to each coverage section are set out in Part 4.

**1. Excluded Uses:**

- (a) Unless we expressly give coverage by endorsement, there is no insurance under this policy while the snowmobile:
  - (i) is rented or leased to someone else, but if you let your employee use the snowmobile for your business purposes, we do not consider this to be renting or leasing;
  - (ii) is used to carry explosives or to carry radio-active material for research, education, development or industrial purposes, or for purposes incidental to any of these; or



- (iii) is being used as a taxicab, public bus or otherwise being used to carry passengers for which you receive any kind of payment. We do not consider the following to be carrying passengers for payment:
      - (A) the occasional and infrequent use of the snowmobile for driving another person who shares the cost of the trip;
      - (B) when you use the snowmobile for the occasional and infrequent transportation of your own employees; or
      - (C) when you use the snowmobile for the occasional and infrequent transportation of clients or customers or prospective clients or customers.
  - (b) Where the snowmobile is properly registered in Saskatchewan, we do not consider the following to be carrying passengers for payment within the meaning of clause II (1)(a)(iii) of this Part if:
    - (i) you use the snowmobile for the transportation of co-workers for your employer's business purposes;
    - (ii) you use the snowmobile to drive others to or from their place of business or school, but only while you are also driving yourself to or from your place of business or school;
    - (iii) the snowmobile is used for the transportation of teachers, students or others to or from school or events connected with a school program; or
    - (iv) the snowmobile is used for the transportation of passengers in connection with activities of religious or voluntary service organization(s).
2. **Consent of Owner:** The insurance provided by this policy does not apply to any person, whether named as Insured or not, who is an operator of any snowmobile which is being used without the consent of its owner. Where a snowmobile is owned by an organization, consent given by a person for whose regular use such snowmobile is provided will be considered as consent given by its owner.
3. **Garage Personnel Excluded:** We will not make any payment for any loss, damage, injury or death sustained by any garage personnel while using, operating or working on the snowmobile in the course of their business or while an operator of the snowmobile in the course of their business, unless the person sustaining the loss, damage, injury or death is the owner of the snowmobile.
4. **Approved Helmet:** The insurance provided by this policy does not apply to any person, whether named as Insured or not, who is an operator of any snowmobile when not wearing a CSA or ULA or SNELL approved helmet.

## **PART 4 – COVERAGES**

### ***SECTION A – THIRD PARTY LIABILITY***

We provide the insurance described in this section only if a premium is shown for Section A on the Summary of Coverage page.

#### **I INSURED PERSONS**

1. Under Section A, we insure:
  - (a) the Named Insured and any other person who, with the Named Insured's consent, personally drives or operates any part of the described snowmobile, a newly acquired snowmobile or a temporary substitute snowmobile, and
  - (b) you, your spouse (if your spouse is living with you) and any child living in your care and in your home while personally driving a temporary non-owned snowmobile as provided for in Part 2 of this policy.
2. The persons referred to in clauses 1(a) and 1(b) of this section are Insured Persons. The words "you" and "your" as used in Section A refer to these Insured Persons.

#### **II INSURING AGREEMENTS**

We agree to pay on your behalf those amounts which you become legally obligated to pay because of liability imposed by law for loss or damage arising from the ownership, use or operation of the snowmobile and resulting from **bodily injury to or death of any person or damage to property**, subject always to the following:

1. We will pay only that portion, if any, of the amounts you are legally obligated to pay which is in excess of the amount payable under the licence insurance for such bodily injury, death or property damage.
2. The limit shown for Section A on the Summary of Coverage page is the most we will pay for bodily injury, death or property damage arising out of any one accident or occurrence regardless of the number of:
  - (a) Insured Persons,
  - (b) claims made or actions brought, or
  - (c) persons or organization(s) making claims or bringing actions.

#### **III EXCLUSIONS - Loss or Damage we do not insure**

We will not make any payment under Section A for:

1. any liability imposed by any Workers' Compensation law or plan upon any person insured by this section;

2. bodily injury to or death of any of your employees while they are operating or repairing the snowmobile;
3. loss or damage to property carried in or on the snowmobile or to any property you own or rent or have in your care, custody or control; or
4. bodily injury, death or property damage arising out of the ownership, use or operation of the described snowmobile or a newly acquired snowmobile if, at the time of the occurrence causing the bodily injury, death or damage, such snowmobile is not properly registered in Saskatchewan or does not have valid licence insurance, unless you establish that for the whole time during the policy period while such snowmobile was not so registered or was without valid licence insurance, it was in continuous storage and not used.
5. Nor will we make any payment under Section A for:
  - (a) bodily injury, death or property damage caused intentionally by or at the direction of any person insured by this policy;
  - (b) bodily injury, death or property damage caused by nuclear energy hazards, except as provided for by *The Saskatchewan Insurance Act* or a successor act;
  - (c) bodily injury or death for which insurance is payable under Part VIII of *The Automobile Accident Insurance Act (Saskatchewan)* or a successor act; or
  - (d) bodily injury, death or property damage arising from the ownership, use or operation of any machinery or apparatus, including its equipment, mounted on or attached to the snowmobile while at the site where it is being used, but this exclusion does not apply to a snowmobile properly registered in Saskatchewan.

*Please refer also to the General Provisions and Exclusions (Part 3) and the Statutory Conditions (Part 5) of this policy.*

#### **IV ADDITIONAL AGREEMENTS**

We will defend you against any suit which makes claims against you for which you are insured under Section A of this policy and which alleges bodily injury or property damage and seeks damages, even if it is groundless, false or fraudulent. We agree to investigate, negotiate and settle any such claim or suit as we consider appropriate. In addition to any amount for which we may be liable under the Insuring Agreements of Section A, we will pay:

1. all expenses we incur in such investigation and defence;
2. all costs charged against you in any suit insured under Section A;
3. any interest occurring after judgment on that part of the judgment which is within the amount of insurance payable under Section A; and

4. your reasonable costs for giving first aid to others at the time of the accident.

If an accident giving rise to a claim under Section A occurs in a province or territory of Canada where the minimum limit(s) required by law is higher than the limit insured under Section A of this policy, we will increase the Section A limit of insurance to meet the minimum limit(s) required by the law of such province or territory. We will not set up any defence to a claim insured under Section A that might not be set up if the policy were a motor vehicle liability policy issued in any province or territory in Canada where the accident occurred.

## **V YOUR AGREEMENT**

By accepting this insurance, you agree:

1. to appoint us as your irrevocable attorney to appear on your behalf and defend in any province or territory of Canada or any state of the United States of America any action brought against you arising out of the ownership, use or operation of the snowmobile; and
2. to repay us the amount we have been required to pay because of a law relating to snowmobile insurance and which we would not otherwise have been liable to pay under this policy.

## ***SECTION B – ACCIDENT BENEFITS - NOT AVAILABLE***

## ***SECTION C – LOSS OR DAMAGE TO YOUR SNOWMOBILE***

### **I INSURING AGREEMENTS**

We agree to insure you against direct and accidental loss of or damage to the snowmobile, including its equipment, but only with respect to the following subsections of Section C for which a premium is shown on the Summary of Coverage page.

**Subsection 1 - All Perils** - all perils of direct and accidental loss or damage.

**Subsection 2 - Collision or Upset** - direct and accidental loss or damage caused by collision with another object or by upset.

**Subsection 3 - Comprehensive** - all perils of direct and accidental loss or damage other than by collision with another object or by upset. The words “**another object**” as used in this subsection include:

- (a) a vehicle to which the snowmobile is attached; and
- (b) the surface of the ground and any object on or in the ground.

Loss or damage caused by any of the perils named in Subsection 4, as well as by missiles, falling or flying objects, malicious mischief, or vandalism, is considered loss or damage caused by perils for which insurance is provided under this Subsection 3.

**Subsection 4 - Specified Perils** - direct and accidental loss or damage caused by fire, lightning, theft or attempted theft, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or their parts, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the snowmobile is being transported on land or water.

## **II LIMITATIONS AND DEDUCTIBLE**

Each occurrence causing loss or damage insured under Section C will be considered separately for claims purposes. For each separate claim we will pay the amount of loss or damage up to, but not exceeding, the actual cash value of the snowmobile sustaining the loss or damage. From the amount so determined, in either case, we will deduct the deductible amount for the applicable subsection of Section C as shown on the Summary of Coverage page.

## **III EXCLUSIONS - Loss or Damage we do not insure**

1. We do not insure loss or damage under any subsection of Section C:
  - (a) to treads or consisting of or caused by mechanical fracture or breakdown of any part of the snowmobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage happens at the same time as other loss or damage for which you are insured under Section C, or is caused by fire, theft, vandalism or malicious acts for which you are insured under Section C;
  - (b) caused by the conversion, embezzlement, theft or secretion by any person in lawful possession of the snowmobile under a mortgage, conditional sale, lease or other similar written agreement;
  - (c) caused if you voluntarily give up title or ownership, whether or not you were persuaded to do so by any fraud, trick or false pretence;
  - (d) caused directly or indirectly by contamination by radioactive material or by other atmospheric contaminants;
  - (e) to tapes, discs, records or other media or to audio or video equipment not affixed to the snowmobile;
  - (f) to the described snowmobile or a newly acquired snowmobile if, at the time the loss

or damage occurs, such snowmobile is not properly registered in Saskatchewan unless you establish that for the whole time during the policy period while it was not so registered it was in continuous storage and not used; or

- (g) caused directly or indirectly by war or warlike acts such as civil war, rebellion, revolution or insurrection.
2. We do not insure loss or damage under Subsections 1 (All Perils), 3 (Comprehensive) or 4 (Specified Perils):
- (a) caused by theft by any person living in your home or by any employee of yours who maintains, repairs or uses the snowmobile, even if the theft occurs when the employee is off duty;
  - (b) caused by theft of tools, chains or repair equipment, unless the entire snowmobile is stolen;
  - (c) caused by theft of equipment of the snowmobile unless such equipment is in or on the snowmobile or in your home at the time the theft occurs; or
  - (d) caused by and confined to soiling of upholstery or scratching of any part of the snowmobile, unless such loss or damage is the result of other loss insured under Subsections 1, 3 or 4.

*Please refer also to the General Provisions and Exclusions (Part 3) and the Statutory Conditions (Part 5) of this policy.*

#### **IV ADDITIONAL AGREEMENTS**

1. Where loss or damage arises from a peril for which a premium for a subsection of Section C is specified on the Summary of Coverage page, we further agree:
- (a) to pay general average, salvage, fire department charges and customs duties of Canada or of the United States of America for which you are legally liable;
  - (b) to waive subrogation against every person who, with your consent, has care, custody or control of the snowmobile, provided always that this waiver shall not apply to any person:
    - (i) having such care, custody or control in the course of the business of selling, repairing, maintaining, servicing, storing or parking snowmobile(s), or
    - (ii) who has committed a breach of any condition of this policy;
  - (c) to indemnify you and any other person who personally drives a temporary substitute snowmobile for those amounts you and such other person may become legally obligated to pay for direct and accidental damage to such snowmobile and arising

from the care, custody and control of such snowmobile, provided always that:

- (i) the deductible amounts and exclusions of Section C will apply;
- (ii) if the owner of the temporary substitute snowmobile has or places any other insurance for such snowmobile against any peril insured by Section C of this policy, we will pay only the amount by which the deductible amount, if any, of such other insurance exceeds the deductible amount stated in the applicable subsection of Section C of this policy; and
- (iii) the Additional Agreements of Section A shall, insofar as they are applicable, extend to the indemnity provided by this Additional Agreement 1(c);

2. In the case of theft of the entire snowmobile for which you are insured under Subsections 1, 3 or 4 of Section C, or in the case of a collision with a bird or animal for which you are insured under Subsections 1 or 2 of Section C, we agree to reimburse you for expenses you incur for rental of a substitute snowmobile. The most we will pay is \$30 in any one day, to a maximum of \$750 in all. Reimbursement for theft of your snowmobile is only for such expenses incurred during the period commencing immediately after you have reported the theft to the police or to us. Reimbursement for collision with a bird or animal to your snowmobile is only for such expenses incurred during the period commencing when your snowmobile becomes inoperable due to the damage or while your snowmobile is being repaired. Both ending regardless of the policy expiry date, the day after one of the following first takes place:

- (a) the snowmobile has been repaired or replaced, or
- (b) an offer has been made to settle your claim for the loss or damage caused by the theft or the collision with a bird or animal, whether or not you accept the offer.

3. Provided that the described snowmobile is insured under Subsections 1, 3 or 4 of Section C, we will pay up to \$400 for the cost of replacing your keys to the described snowmobile or rekeying its locks, at your option, if your keys are stolen. We will not pay for changing the ignition or lock tumblers if we can replace the key. No deductible will apply to this Additional Agreement 3, except that if the amount of the loss is greater than \$400, the policy deductible will apply to the amount by which the loss exceeds \$400.

## **V YOUR AGREEMENT**

If you are in the business of selling, repairing, or servicing snowmobile(s), you agree, with respect to loss or damage insured under Section C, to replace the damaged property or make the necessary repairs at your actual cost, if we ask you to do so.

## ***SECTION D – ENDORSEMENTS***

The endorsements set out in this section apply to every policy, with the exception(s) of: Fire Fighting Apparatus, Excluding Named Person, Fire and Theft Deductible, Replacement Cost Coverage, Incidental Commercial Use (Section C) and Incidental Commercial Use (Sections A and C) which apply only if indicated on the Summary of Coverage page. If more than one snowmobile is insured under this policy, the endorsement shall apply only to the snowmobile for which it is shown on the Summary of Coverage page, except in the case of the Environmental Liability Limitation and Approved Driver Warranty endorsements. The words the snowmobile or your snowmobile where used in any of the endorsements in this section, refers to the described snowmobile to which the endorsement applies, unless otherwise indicated.

Except as otherwise specifically stated in any endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy remain unchanged and have full force and effect.

### **Limitation of Amount**

We are not liable under Section C for any amount in excess of the actual cash value of your snowmobile at the time the loss or damage occurs or in excess of the amount shown for this endorsement on the Summary of Coverage page, whichever is the lesser.

### **Stated Value**

In respect to loss or damage for which you are insured under Section C, we agree that the described snowmobile is valued at and insured for the amount shown for this endorsement on the Summary of Coverage page, subject to the applicable Section C deductible. When the loss involving the described snowmobile is a partial loss only, our liability is limited to the cost of repair, less the applicable Section C deductible, but such cost shall not exceed the amount shown for this endorsement on the Summary of Coverage page.

### **Fire Fighting Apparatus**

We are not liable under Section C for loss or damage to fire-fighting, rescue or salvage equipment that has been removed from your snowmobile while the snowmobile is at the location of a fire.

### **Excluding Named Person**

We are not liable for any payment under Sections A or C in respect of any claim arising out of any accident which occurs while your snowmobile as defined in the General Definitions of this policy is being operated by the person whose name is shown for this endorsement on the Summary of Coverage page.



### **Unlicensed Snowmobile**

The insurance under this policy applies only while the described snowmobile is in storage or while being used or operated on private land.

### **Fire and Theft Deductible**

The deductible amount, if any, under Subsections 1, 3 or 4 of Section C of this policy shall also apply on each separate claim for loss or damage caused by fire or theft of the entire snowmobile and not as may otherwise be stated in Section C.

### **Replacement Cost Coverage**

In the event that loss or damage to your snowmobile for which you are insured under Section C exceeds the deductible amount shown on the Summary of Coverage page, we agree to waive Statutory Condition 4(5) which limits our liability to the actual cash value of the snowmobile, subject to all terms and conditions set out in this endorsement.

If the loss or damage happens within the first 24 months from the date you took delivery of your snowmobile, the Replacement Cost Coverage provided by this endorsement will apply to all losses for which your snowmobile is insured under Section C. But, if the loss or damage happens after the first 24 months, we will not provide Replacement Cost Coverage.

There are two ways to settle a loss:

**1. By Repair:**

If we decide to repair your snowmobile we will be responsible only for the damage which was caused by the loss. This includes any wear and tear (depreciation) charged on original or new parts.

**2. By Replacement:**

If we decide your snowmobile must be replaced because of its loss, settlement will be as follows:

- (a) If the loss or damage happens within the first 24 months from the date you took delivery of the snowmobile and you choose a brand new snowmobile of the same make and model with similar equipment (colour may vary), we will replace your snowmobile. If the same model year is not available, we will replace your vehicle with the next model year available.
- (b) If you choose a different make or model that is brand new with a value lower than shown on the Summary of Coverage page, we will only pay you our cost to replace the snowmobile with a new snowmobile of your choice.

- (c) If you choose a different make or model that is brand new with a higher value than shown on the Summary of Coverage page, or this is a leased vehicle, we will only pay you up to the original purchase price of the snowmobile as shown on the Summary of Coverage page.
- (d) If the loss or damage happens and we cannot replace the snowmobile covered because the same or similar make and model are no longer produced or manufactured, we will pay you the original purchase price (including applicable taxes).

**The coverage under this endorsement is subject to the following conditions:**

1. Your snowmobile must be continuously insured for Replacement Cost Coverage with us or another insurance company. You must obtain this coverage within 120 days after the date you took delivery of the snowmobile. Coverage under this endorsement shall not be in effect for more than 24 months after that delivery date. The snowmobile must have been:
  - (a) bought new,
  - (b) leased new, or
  - (c) owned and used as a demonstrator by a snowmobile dealership. You must have bought the snowmobile within 12 months of the date the dealer first put it into service as a demonstrator.
2. It is up to us to decide if your snowmobile is to be repaired or replaced.
3. Once we agree that you have coverage under this endorsement you must supply us with proof that your snowmobile is being repaired or replaced before a payment can be made.
4. If you decide not to buy a replacing snowmobile we will pay only what we would have paid had this Replacement Cost Coverage endorsement not been in effect.
5. If you decide not to accept our offer to repair your snowmobile we will pay only what we would have paid had this Replacement Cost Coverage endorsement not been in effect.
6. New equipment added after you purchased the snowmobile is also covered but it must have been added to the vehicle and your policy within 120 days of the date you took delivery of the snowmobile.
7. You will be responsible for any previous unrepaired damage.
8. You are responsible for any life insurance, extended warranties or loan balances from previous vehicles.
9. If your snowmobile has attached apparatus or machinery intended to be used for carrying out an operation apart from the snowmobile (for example, welding, drilling, or towing equipment), we will pay only what we would have paid had this Replacement Cost Coverage endorsement not been in effect.

### **Environmental Liability Limitation**

We are not liable under Section A for bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system. This exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental, but the most we will pay for any such sudden and accidental discharge, dispersal, release or escape, regardless of the limit applicable to Section A, is the amount shown for this endorsement on the Summary of Coverage page and this amount shall be part of and not in addition to the Section A limit.

### **Approved Driver Warranty**

The insurance provided by this policy shall not apply to any snowmobile while being operated by any person other than a person whose name you have given us and who has been approved by us as a driver, or other than a person hired by you whose name you have not given us but who meets all the following requirements:

1. holds a valid and appropriate class of drivers licence for the snowmobile being operated;
2. has had no more than three moving traffic violations or at-fault accidents combined in the three years preceding the date such person was hired by you; and
3. has had no convictions under the *Criminal Code (Canada)* or a successor act in the three years preceding the date such person was hired by you.

This endorsement applies to all snowmobile(s) insured by this policy.

### **Snowmobile Underage Operator**

Notwithstanding Statutory Condition 2(2)(b)(ii), we give permission for a person under the age of 16 years, but not under the age of 12 years, to operate the described snowmobile with your consent, but only on condition that the operation of the snowmobile by such person is in accordance with the provisions of *The Snowmobile Act (Saskatchewan)* or a successor act, otherwise this endorsement shall be of no effect.

### **Saskatchewan Registration Not Required (Sections A and C)**

We agree to waive Exclusion 4 under the heading “III EXCLUSIONS - Loss or Damage we do not insure” of Section A and to waive Exclusion 1(f) under the heading “III EXCLUSIONS – Loss or Damage we do not insure” of Section C.

### **Saskatchewan Registration Not Required (Section C)**

We agree to waive Exclusion 1(f) under the heading “III EXCLUSIONS – Loss or Damage we do not insure” of Section C.

### **Incidental Commercial Use (Section C)**

We agree to amend the definition of snowmobile to include a vehicle that has an incidental commercial use that you have reported to us and we have approved.

### **Incidental Commercial Use (Sections A and C)**

We agree to amend the definition of snowmobile to include a vehicle that has an incidental commercial use that you have reported to us and we have approved.

It is further understood and agreed that this endorsement shall not include any contractual or other liability assumed by you and shall in no way provide coverage that is contributory or in excess of any other insurance policy that may be in force concurrent with this policy.

### **Trailers and Truck Decks Used Solely for Transporting the Snowmobile (Section C)**

When used in this endorsement:

“**trailer(s)**” means a trailer used exclusively to transport the snowmobile that is insured by this policy.

“**truck deck**” means a unit for temporary attachment to a truck designed for and used exclusively to transport the snowmobile that is insured by this policy.

If there is an amount shown for this endorsement on the Summary of Coverage page we agree to indemnify you against direct and accidental loss of or damage to the truck deck or trailer(s), subject to a maximum that is equivalent to the lesser of:

1. the actual cash value at the time of the loss occurs; or
2. the amount shown for this endorsement on the Summary of Coverage page;

provided said loss or damage results from a peril that is listed on the Summary of Coverage page (Section C – Loss or Damage to Your Snowmobile). The deductible amount shown on the Summary of Coverage page (Section C) also applies.

## **PART 5 – STATUTORY CONDITIONS**

**In these Statutory Conditions, unless the context otherwise requires, the word “Insured” means a person insured by this contract whether named or not, and the word “automobile” means “snowmobile” as defined in this contract.**

### **Material Change in Risk**

1. (1) The Insured named in this contract shall promptly notify the Insurer, or its local agent, in writing, of any change in the risk material to the contract and within his knowledge.
- (2) Without restricting the generality of the foregoing, the words “change in the risk material to the contract” include:
  - (a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the *Bankruptcy and Insolvency Act (Canada)* or a successor act; and in respect of insurance against loss or damage to the automobile;
  - (b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract; or
  - (c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

### **Prohibited Use By Insured**

2. (1) The Insured shall not drive or operate the automobile:
  - (a) while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile;
  - (b) unless he is for the time being either authorized by law or qualified to drive or operate the automobile;
  - (c) while he is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him;
  - (d) for any illicit or prohibited trade or transportation; or
  - (e) in any race or speed test.
- (2) The Insured shall not permit, suffer, allow or connive at the use of the automobile:
  - (a) by any person under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the

- automobile;
- (b) by any person:
    - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
    - (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him;
  - (c) for any illicit or prohibited trade or transportation; or
  - (d) in any race or speed test.

### **Requirements Where Loss or Damage to Persons or Property**

- 3. (1) The Insured shall:
  - (a) promptly give the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
  - (b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
  - (c) forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant.
- (2) The Insured shall not:
  - (a) voluntarily assume any liability or settle any claim except at his own cost; or
  - (b) interfere in any negotiations for settlement or in any legal proceeding.
- (3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witnesses and shall co-operate with the Insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

### **Requirements Where Loss or Damage to the Automobile**

- 4. (1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract:
  - (a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;

- (b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
  - (c) deliver to the Insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any wilful act or neglect, procurement, means of connivance of the Insured.
- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.
  - (3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed:
    - (a) without the written consent of the Insurer; or
    - (b) until the Insurer has had a reasonable time to make the examination for which provision is made in Statutory Condition 5.
  - (4) The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in his possession or control that relate to the matters in question, and he shall permit extracts and copies thereof to be made.
  - (5) The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed that amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.
  - (6) Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

- (7) There can be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.
- (8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if affected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by appraisal as provided under *The Saskatchewan Insurance Act* or a successor act before there can be 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 therefore is made in writing and until after proof of loss has been delivered.

### **Inspection of Automobile**

5. The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

### **Time and Manner of Payment of Insurance Money**

6. (1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of Statutory Condition 4, within fifteen days after the award is rendered by the appraisers.
- (2) The Insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of Statutory Conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

### **Who May Give Notice and Proofs of Claim**

7. Notice of claim may be given and proofs of claim may be made by the agent of the Insured named in this contract in case of absence or inability of the Insured to give the notice or make the proof, such 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.



## **Termination**

8. (1) 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; or
  - (b) by the Insured at any time on request.
- (2) 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.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of 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.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (a) of subcondition (1) 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.

## **Notice**

9. 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 this 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.