

RIDE SMART MOTORCYCLE POLICY

British Columbia

I. AGREEMENT

In return for payment of the premium specified on Your Policy Declaration Page, We agree to provide the insurance for Your Motorcycle, Trailer, Riding Gear, as well as Enhancement Coverage, as described in this policy, subject to the terms and conditions contained herein.

II. DEFINITIONS

“Actual Cash Value” means various factors shall be considered in the determination of actual cash value. The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation We will consider the condition immediately before the damage, the resale value and the normal life expectancy.

“Immediate Family” means Your spouse and the children under the age of 19 of You or Your spouse while living in the same household as You or while living away from home at school, university or similar institution.

“Motorcycle” means the Motorcycle(s), specified on the Policy Declaration Page, any permanently attached equipment or accessories including their tires and batteries.

“Replacement Cost” means the cost, on the date of the loss or damage, of the lower of:

1. repairing the property with materials of similar kind and quality; or
2. new articles of similar kind, quality and usefulness; without any deduction for depreciation.

“Riding Gear” means Motorcycle helmets, Motorcycle pants, Motorcycle jackets, gloves, riding boots, saddle bags and communication equipment which is specific in the use and operation of a Motorcycle owned by You or Your Immediate Family.

“Motorcycle Trailer” means a Trailer(s), including their tires and batteries, owned by You used exclusively to transport the Motorcycle described on the Policy Declaration Page or a Trailer owned by You and towed by the Motorcycle described on the Policy Declaration Page.

“We” or “Us” means ELITE INSURANCE COMPANY.

“You” or “Your” means the person(s) named as Insured described on the Policy Declaration Page.

III. COVERAGE

INSURED PERILS Section A – Motorcycle
Section B – Motorcycle Trailer
Section C – Riding Gear

Insured Perils *You are insured against all risks of direct physical loss or physical damage (including General Average and Salvage charges) subject to the exclusions and conditions in this policy.*

Exclusions **Loss or damage not Insured:**

- 1) caused by deterioration, dampness of atmosphere, extreme of temperature, contamination, vermin or insects, inherent vice or latent defect, wet or dry rot, mould, settling, expansion, contraction, shifting, bulging, buckling or cracking, unless loss or damage by fire or explosion ensues and then only for the loss or damage resulting from such ensuing fire or explosion;
- 2) the cost of making good faulty workmanship, construction or design;
- 3) loss or damage to electrical devices or appliances caused by electrical current other than lightning, unless loss or damage by fire or explosion ensues, and then only for the loss or damage resulting from such ensuing fire or explosion;
- 4) as a result of Your dishonest, wilful or criminal act or failure to act;
- 5) caused by mechanical fracture or breakdown, or by rusting, corrosion, wear and tear, the weight of the load exceeding manufacturer’s designated capacity of the Motorcycle, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by this policy;
- 6) resulting from conversion, embezzlement or by theft by any person in lawful possession under a mortgage, conditional sale, lease or any other similar written agreement;

- 7) resulting from a voluntary transfer of title or ownership, whether or not induced to do so by any fraudulent scheme, trick or false pretense;
- 8) caused directly or indirectly by contamination by radioactive material. This exclusion applies whether or not there is one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- 9) resulting from the use or operation in any official race, hill climb or speed test; or for any business or commercial purpose;
- 10) caused by, contributed by, or as a result of the consumption of alcohol in any form or any other substance which impairs the operator of the Motorcycle.

Property Not Insured:

- 1) property pertaining to a business, profession or occupation;
- 2) property rented or used for compensation for hire;
- 3) property illegally acquired, kept, stored or transported;
- 4) property seized or confiscated for breach of law or by order of civil authority, but this exclusion shall not apply to property seized or confiscated for the purpose of destruction at the time of fire for the prevention of the spread of such fire; or
- 5) property while waterborne except while on a regular ferry or railway car transfer in connection with land transportation.

BASIS OF CLAIM PAYMENT

We will pay for insured loss of or damage to the Motorcycle, Motorcycle Trailer, Riding Gear as described below up to Your financial interest in the property, but not exceeding the applicable amount(s) of insurance as specified on the Policy Declaration Page for any loss or damage arising out of any one occurrence.

- Motorcycle** If We determine Your Motorcycle to be a total loss, We will pay the limit of insurance for the Motorcycle as specified on the Policy Declaration Page.
If We determine Your Motorcycle is not a total loss, and it is repaired or replaced, We will pay You for the actual cost of repairs on the basis of Replacement Cost. If the Motorcycle is not repaired or replaced, We will pay the Actual Cash Value of the loss or damage on the date of the occurrence.
- Motorcycle Trailer** If We determine Your Trailer to be a total loss, and it is replaced, We will pay on the basis of Replacement Cost.
If We determine Your Trailer is not a total loss, and it is repaired or replaced, We will pay the actual cost of repairs on the basis of Replacement Cost.
If Your Trailer is not repaired or replaced, We will pay the Actual Cash Value of the loss or damage on the date of the occurrence.
- Tires and Batteries** We will only pay the Actual Cash Value on the date of the occurrence for loss of or damage to tires and batteries.
- Riding Gear** We will pay the actual cost to repair or replace the Riding Gear on the basis of Replacement Cost.
If Your Riding Gear is not repaired or replaced, We will pay the Actual Cash Value of the loss or damage on the date of the occurrence.

IV. ELITE ENHANCEMENT COVERAGES

The following enhancements are not subject to a deductible

- 1. Emergency Roadside Assistance**
We will reimburse You upon presentation of receipted bills and acceptable evidence of loss, for towing and emergency service expense necessary due to the disablement of the Motorcycle up to \$100 for any one occurrence and a maximum of \$200 in any one policy period.
You are not covered for the costs of parts, supplies, gasoline, oil, batteries, or tires. This coverage applies only as excess of any other valid and collectible emergency road service insurance or benefits available to You.
- 2. Lock Rekeying**
We will reimburse You to a maximum of \$1,000 for the cost of rekeying the locks on the insured Motorcycle if the keys to that Motorcycle are stolen.
- 3. Travel Protection**
In the event You are involved in a Motorcycle accident, or if Your Motorcycle is stolen while You are travelling away from Your home We will reimburse You for the following:

- i. the cost of delivering Your damaged Motorcycle back home for repairs, or delivery of the recovered Motorcycle back home to a maximum of \$750.
- ii. the cost of additional living expenses (lodging, meals, transportation and phone calls) You and Your Immediate Family incur because of damage to, or theft of Your Motorcycle, subject to a maximum of \$1,000,
- iii. the cost of travel expenses You and Your Immediate Family incur to return home using the most direct route, or the cost of a rental vehicle, to a maximum of \$1,500,

4. Reward Coverage

We will pay up to \$500 to any one person, other than those defined as You or Your or any law enforcement officers or agencies, for information that leads to a conviction for arson or theft in connection with loss or damage to property insured by this policy.

5. Newly Acquired Motorcycle

We will cover either an additional or replacement Motorcycle of similar kind and quality as the current insured Motorcycle; but We must be notified of this new Motorcycle within fifteen (15) days of acquisition, and the coverage exists for thirty (30) days from acquisition or until a new policy of insurance is entered into for the additional or replacement Motorcycle, whichever occurs first. The maximum amount We will pay for any loss on this new Motorcycle will be its current market value OR the amount for which the current insured Motorcycle is insured whichever is the lesser amount.

PRESCRIBED CONDITIONS

- 1** (1) In these conditions:

"**insured**" means a person who, whether named or not, is insured by this optional insurance contract;

"**territory**" means a territory established by the insurer;

"**vehicle rate class**" means a vehicle rate class established by the insurer.

- (2) These conditions apply only in respect of coverage provided by this contract that does not extend the limit of coverage that is specified in a certificate or a policy to a limit that is in excess of that provided by the certificate or policy.

[en. B.C. Reg. 166/2006, s. 93.]

Changes during term of contract

- 2** (1) In this section, "**the territory in which the vehicle is primarily located when not in use**" means the territory in which the place where the vehicle is kept when not being driven is located.

- (2) The insured named in this contract must,

- (a) within 10 days after

(i) the named insured's address is changed from the address set out in this contract, or

(ii) the named insured acquires a substitute vehicle for the vehicle described in this contract, or

- (b) before

(i) the use of the vehicle described in this contract is changed to a use to which a different vehicle rate class applies than the vehicle rate class applicable to the use set out in this contract, or

(ii) a vehicle in respect of which the premium is established on the basis of the territory in which a vehicle of that vehicle rate class is used or principally used, as the case may be, is used or principally used in a different territory than that set out in this contract, report the change of address, vehicle, use or territory to the insurer, and pay or be refunded the resulting difference in premium.

- (3) If the premium for a vehicle is established on the basis of the territory in which the vehicle is primarily located when not in use and that territory as set out in this contract is changed, the insured named in this contract must, unless the vehicle is being used by the insured for vacation purposes, report the change to the insurer within 30 days of the change, and pay or be refunded the resulting difference in premium.

[en. B.C. Reg. 166/2006, s. 93; am. B.C. Reg. 46/2007, Sch. 1, s. 13.]

Prohibited use

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- (1) The insurer is not liable to an insured who breaches this condition or a subcondition of this condition.
 - (2) An insured must not operate a vehicle for which coverage is provided under this contract
 - (a) if the insured is not authorized and qualified by law to operate the vehicle,
 - (b) for an illicit or prohibited trade or transportation,
 - (c) to escape or avoid arrest or other similar police action, or
 - (d) in a race or speed test.
 - (3) An insured does not contravene subcondition (2) merely because the insured operates a vehicle in contravention of a restriction or condition imposed on his or her driver's licence by section 30.06 (2), 30.07 (1) or (3), 30.071 (1), 30.072 (1) (a) or (b), 30.08 (1), 30.10 (2) or (4) or 30.11 (1) of the Motor Vehicle Act Regulations, B.C. Reg. 26/58.
 - (4) An insured must not operate a vehicle for which coverage is provided under this contract contrary to the statements contained in the application for insurance for the vehicle, including, but not limited to,
 - (a) the use declared in the application for insurance for the vehicle,
 - (b) a statement relating to the time during which, and the territories in which, the vehicle may be operated, or
 - (c) a statement relating to the kind of goods, or number of passengers, that may be carried in or on the vehicle.
 - (5) Use of a vehicle does not contravene subcondition (4) if the premium paid for the vehicle rate class applicable to the use set out in the application for insurance is greater than or equal to the premium established by the insurer for the vehicle rate class that is applicable to the use to which the vehicle is put.
 - (6) An insured must not operate a motor vehicle for which coverage is provided under this contract if there is attached to the motor vehicle a Trailer that is required to be registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act* and that is not registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act*.
 - (7) An insured named in this contract must not permit the vehicle described in this contract to be operated by a person or for a purpose that breaches this condition or a subcondition of this condition or would breach this condition or subcondition of this condition if the person were an insured.
 - (8) It is a breach of this condition if the injury, death, loss or damage in respect of which a claim is made by an insured is caused by or results from an intentional act of violence committed by the insured, while sane, by means of a vehicle.
 - (9) It is a breach of this condition if
 - (a) an insured is operating a vehicle while under the influence of intoxicating liquor or a drug or other intoxicating substance to such an extent that the insured is incapable of proper control of the vehicle,
 - (b) an insured is convicted of
 - (i) a motor vehicle related *Criminal Code* offence,
 - (ii) an offence under section 95 or 102 of the *Motor Vehicle Act*, or
 - (iii) an offence under a provision of the law of another jurisdiction in Canada or the United States of America that is similar to a provision referred to in subparagraph (i) or (ii),
 - (c) an insured is convicted of an offence under section 253 (b) of the *Criminal Code*, section 224 of the *Motor Vehicle Act* or a provision of another jurisdiction in Canada or the United States that is similar to either of those sections and the accident in respect of which a claim is made by the insured occurred during the commission of the offence by the insured and while the insured was operating a vehicle, or
 - (d) an insured is convicted of an offence under section 254 (5) of the *Criminal Code*, section 226 of the *Motor Vehicle Act* or a provision of the law of another jurisdiction in Canada or the United States of America that is similar to either of those sections and the accident in respect of which a claim is made by the insured occurred

within the 2 hours preceding the commission of the offence by the insured and while the insured was operating a vehicle.

(10) In subcondition (9):

"**convicted**" includes being

(a) convicted under the *Young Offenders Act* (Canada) for contravening a provision referred to in the definition of "motor vehicle related *Criminal Code* offence" or section 253 (b) or 254 (5) of the *Criminal Code*, and

(b) convicted or the subject of a similar result in a jurisdiction of the United States of America under a law similar to the *Young Offenders Act* (Canada) for contravening a provision of the law of that jurisdiction that is mentioned in subcondition (9) (b) (iii), (c) or (d);

"**motor vehicle related *Criminal Code* offence**" means an offence under section 220, 221, 249, 252, 253 (a), 255 (2) or (3) or 259 (4) of the *Criminal Code* committed while operating or having care or control of a vehicle or committed by means of a vehicle.

en. B.C. Reg. 166/2006, s. 93; am. B.C. Reg. 3/2010, s. (b).]

Requirements if loss of or damage to vehicle

- 4 (1) If loss of or damage to the vehicle insured under this contract occurs, the insured must, if the loss or damage is covered by this contract,
- (a) on the occurrence of loss or damage
 - (i) promptly notify the insurer of the loss or damage, and
 - (ii) file a written statement with the insurer setting out all available information on the manner in which the loss or damage occurred, and
 - (b) within 90 days after the occurrence of the loss or damage file a proof of loss.
- (2) The insurer may require that a proof of loss be sworn by the person filing it.
- (3) If loss of or damage to a vehicle that is covered by this contract occurs, the owner or operator of the vehicle
- (a) must, at the expense of the insurer, protect the vehicle as far as reasonably possible from further loss or damage, and
 - (b) until the insurer has had a reasonable opportunity to inspect the vehicle, must not, without the consent of the insurer, remove any physical evidence of the loss or damage to the vehicle or make any repairs to the vehicle, other than repairs that are immediately necessary to protect the vehicle from further loss or damage.
- (4) The insurer is not liable under this contract
- (a) for loss or damage resulting from the failure of an owner or operator to comply with subcondition (3) (a), or
 - (b) to an owner if the owner or an operator, to the prejudice of the insurer, contravenes subcondition (3) (b).
- (5) The liability of the insurer for payment of indemnity for loss or damage to the vehicle is limited to the amount by which
- (a) the cost of repairing or replacing the vehicle and its equipment or any part of it with material of a similar kind or quality,
 - (b) the declared value of the vehicle and its equipment, if appropriate, or
 - (c) the actual cash value of the vehicle and its equipment,
- whichever is least, exceeds the deductible amount set out in this contract.
- (6) The insurer is not liable for that part of the cost of repair or replacement that improves a vehicle beyond the condition in which it was before the loss or damage occurred.
- (7) The insurer may determine

(a) whether a vehicle and its equipment or any part of it will be repaired or replaced, and

(b) whether to pay a garage service operator in respect of a repair or replacement instead of making a payment to the insured.

(8) The liability of the insurer for loss or damage to an obsolete part of an insured vehicle, or a part the manufacturer does not have in stock, is limited to the price at which the part was last listed on the manufacturer's price list.

(9) If the insurer replaces a vehicle or pays to an insured the declared value or actual cash value of a vehicle or its equipment or both, less any applicable deductible amount in accordance with subcondition (5),

(a) the insurer is entitled, at its option, to the salvage in the vehicle or its equipment or both, and

(b) the insured must, on request of the insurer, execute any documents necessary to transfer to the insurer title to the vehicle or its equipment or both.

(10) If an insured is a co-insurer under this contract of any loss or damage to a vehicle or its equipment or both,

(a) the insurer has conduct of the sale or other disposition of the salvage in the vehicle or its equipment or both, and

(b) the insured is entitled to share in the proceeds of the sale or other disposition of the salvage in the vehicle or its equipment or both in the same proportion as the insured is a co-insurer of the loss or damage.

(11) The insured must not leave a vehicle or its equipment or both with the insurer without its consent, refuse to take delivery of the insured's vehicle or its equipment or both from the insurer or otherwise abandon a vehicle or its equipment or both to the insurer without its consent.

[en. B.C. Reg. 166/2006, s. 93.]

Statutory declaration

5 (1) If required by the insurer, the insured must, on the occurrence of loss or damage for which coverage is provided by this contract, deliver to the insurer within 90 days after the occurrence of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others in the vehicle, the encumbrances on the vehicle, all other insurance, whether valid or not, covering the vehicle and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the insured.

(2) An insured who has filed a statutory declaration must

(a) on request of the insurer, submit to examination under oath,

(b) produce for examination, at a reasonable time and place designated by the insurer, all documents in the insured's possession or control relating to the loss or damage, and

(c) permit copies of the documents to be made by the insurer.

[en. B.C. Reg. 166/2006, s. 93.]

Inspection of vehicle

6 The insured must permit the insurer at all reasonable times to inspect the vehicle and its equipment.

[en. B.C. Reg. 166/2006, s. 93.]

Time and manner of payment of insurance money

7 (1) The insurer must pay the insurance money for which it is liable under this contract within 60 days after the proof of loss or statutory declaration has been received by it or, if an arbitration is conducted under section 177 of the Insurance (Vehicle) Regulation, within 15 days after the award is rendered.

(2) The insured must not bring an action to recover the amount of a claim under this contract unless the requirements of conditions 4, 5 and 6 are complied with and until the amount of the loss has been ascertained by an arbitrator under section 177, by a judgment after trial of the issue or by written agreement between the insurer and the insured.

(3) Every action or proceeding against the insurer in respect of loss or damage for which coverage is provided under this contract must be commenced within 2 years from the occurrence of the loss or damage.

Who may give notice and proof of claim

8 Notice of a claim related to loss or damage of the vehicle may be given and proof of claim and a statutory declaration may be made

(a) 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 or statutory declaration, if the absence or inability is satisfactorily accounted for, or

(b) if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

Termination

9 (1) This contract may be terminated

(a) by the insured named on this contract at any time on request, and

(b) by the insurer not less than

(i) 5 days after the insurer gives written notice of termination to the insured in person, or

(ii) 15 days after the insurer sends, by registered mail, written notice of termination to the last address of the insured according to the insurer's records.

(2) On termination the insurer must refund the excess of premium actually paid by the insured over the proportionate premium for the expired time less any debt owed by the insured to the insurer, but in no event must the proportionate premium for the expired time less any debt owed by the insured to the insurer be less than any minimum retained premium specified in this contract.

(3) If this contract is terminated by the insurer, the refund must accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund must be made as soon as practicable.

Notice

10 (1) A written notice to the insurer may be delivered at, or sent by registered mail to, the head office of the insurer in British Columbia or to a person appointed as an agent by the insurer for the purpose of receiving notices.

(2) Written notice may be given to the insured named in this contract by letter personally delivered to the insured or by registered mail addressed to the insured at the insured's latest address according to the insurer's records.

(3) In this condition and condition 10, **registered** means registered in or outside Canada.

V. ADDITIONAL CLAUSES

Notice to Authorities Where the loss is due to malicious acts, burglary, robbery, theft of attempt thereat, or is suspected to be so due, the Insured shall give immediate notice to the police or other authorities having jurisdiction.

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

Pair and Set In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

Parts In the case of loss or damage to any part of the insured property, whether scheduled or unscheduled, consisting when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

Sue and Labour	It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.
Basis of Settlement	We will pay for insured loss of or damage to the Motorcycle, Trailer and Riding Gear as described in this policy up to Your financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of any one occurrence.
Subrogation	We will be entitled to assume all Your rights of recovery against others and bring action in Your name to enforce these rights when We make payment or assume liability under this policy. Your right to recover from Us is not affected by any release from liability entered into by You prior to loss. If such action on our part does not fully indemnify both You and Us, the amount that We recover will be divided between You and Us in the proportions in which the loss or damage has been borne by each of Us respectively. The amounts so available for distribution shall be net of the costs of affecting the recovery.
Deductible Clause	We are responsible only for the amount by which the loss or damage covered by this policy of insurance exceeds the amount of the deductible shown on the Policy Declaration Page in any one occurrence. This deductible clause is not applicable in the event of a total loss.

VI. SPECIAL CONDITIONS

Territorial Limits	This policy insures only within the territorial limits of Canada and the Continental United States of America including Alaska, or while in transit between points therein.
Ownership and Use of Property Insured	The property insured may be owned by the Insured or in his custody or control and for which he is legally liable. It is a condition of this policy that the property insured is used solely for private pleasure purposes and will not be rented to others.
Loss Clause	The amount of insurance provided by this policy shall not be reduced as a consequence of loss payment.
Other Insurance	If there is available to the Insured or any other interested party any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance.

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING STIPULATIONS AND CONDITIONS WHICH ARE HEREBY SPECIFICALLY REFERRED TO AND MADE A PART OF THIS POLICY, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of this Policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing, signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the Policy.