

## DEFINITIONS

The following definitions apply throughout this policy:

**“You”** and **“Your”** means the Insured(s) named on the Declaration Page.

**“We”, “Our”,** and **“Us”** mean the Lombard General Insurance Company of Canada

**“Insured”, “Insured Person”,** in addition to you, includes any person, firm, corporation or legal entity who may be operating your boat with your permission.

**“Yacht”, “Boat”** means the motor yacht, sailboat, craft, cruiser, schooner, or similar vessel described on the Declaration Page, including its sails, machinery, furniture and other equipment normally required for its operation or maintenance.

**“Total Loss”, “Constructive Total Loss”** means the specific property is completely lost or destroyed or the cost of recovering and repairing is greater than the value stated on the Declaration Page.

**“Actual Cash Value”** means the value of the property. This is determined by the replacement cost of the covered property at the time of loss, less deduction for depreciation caused by wear and tear or deterioration.

**“Electronic Navigation Aids”** means electronic and non-electronic equipment used in the navigation and operation of the insured boat.

**“All Risk”** means all accidental losses or damages to the covered property, except those, which are specifically excluded in the policy.

**“Amount of Insurance”** and **“Limit of Liability”** are synonymous and mean the amounts shown on the Declaration Page for each coverage provided by the policy.

**“Bodily Injury”** means bodily injury including death and including the resulting need for care.

**“Property Damage”** means physical damage to, or destruction of tangible property, including damage resulting from failure to raise a damaged covered boat.

**“Deductible”** means the amount we will deduct from any covered loss.

**“Covered”, “Coverage”** means insured by the policy, or insurance provided by this policy.

**“Inherent Vice”** means that which is a natural fault or failing of the property such as rusting, corrosion or similar occurrence.

**“Replacement Cost”** means the reasonable cost to replace all or part of an item lost or damaged. This cost will be at the price level of labour and materials prevailing at the time of loss or damage.

**“Pleasure Purposes”** means the covered boat is used for recreational or leisure time activities without compensation.

**“Seaworthy”** means in a safe and navigable condition.

## AGREEMENT

The Application for Insurance forms part of this contract. On the basis of the statements contained in the Application we will provide the insurance described in this policy: in return, you will pay the premium. You and any other insured person must comply with the provisions of this policy or contract.

## DEDUCTIBLES

Each claim for loss or damage, under any coverage, shall be adjusted separately. We will subtract the amount of the Deductible shown on the Declarations Page for that coverage. Two or more losses resulting from the same accident or occurrence shall be treated as one claim and the highest applicable deductible will apply. The deductible will not be applied if there is a total loss to the yacht.

***The following Restrictions and General Exclusions and Warranties apply to ALL Coverages and Sections of your Policy. Additional WARRANTIES & CONDITIONS & ENDORSEMENTS may also be included on/with the Policy Declaration Page. Your Declaration Page also shows the Limit of Insurance applicable to each Coverage and the Deductible(s).***

***PLEASE READ THIS WORDING & ALL OTHER DOCUMENTS CAREFULLY.***

## USE OF THE YACHT – WARRANTIES

**To keep this policy in effect, you and any insured person must make and keep certain promises known as “Warranties”. If any of these Warranties is violated, coverage will be terminated from the time of such violation. It is, therefore, Warranted that:**

The Yacht:

1. Will be used only for private pleasure purposes and will not be chartered, leased or used for any commercial purposes or for hire unless otherwise agreed by us in writing. You may entertain clients;
2. Will be used only within the Navigation Limits stated on the Declaration Page unless otherwise agreed by us in writing;
3. Will not be used in any race or speed test while under power except on predicted log cruises. Sail racing is permitted;
4. Any propane, alcohol or kerosene equipment used on your yacht will be installed per the National Fire and Protection Association Standards or equivalent. With respect to propane, alcohol or kerosene equipment with a pilot light, the system will be shut off at the manual shut off valve at the source of the fuel at all times when the yacht is left unattended.
5. During the lay-up period stated on the Declaration Page and, unless otherwise agreed by us in writing, the yacht: will be laid-up and out of commission and out of the water; will not be used for living on board; and will be safely secured for storage;
6. Will be kept in a seaworthy condition whenever afloat or being operated;
7. Will not be used by an insured person in any illegal or criminal activity.

## GENERAL EXCLUSIONS (Applicable to all Coverages and Sections)

### We Will Not Cover:

1. Loss that results from the lawful or unlawful capture, seizure, requisition or detainment of your yacht by a civil authority, or any attempt at these;
2. Loss that results from war or any warlike operation whether "declared or undeclared", civil war, revolution or any civil unrest;
3. Loss that is caused in whole or in part, either directly or indirectly by a nuclear reaction or nuclear radiation;
4. Loss or expense for which an insured person becomes liable as a result of discharging or releasing any fuel, chemicals, waste or other pollutants. This exclusion does not apply if the discharge or release is sudden and accidental;
5. Any loss, damage, liability or expense of any kind arising out of the use of your yacht for para-sailing.
6. Repair of damage that was incurred before commencement of this policy;
7. Where any insured person operates the Insured boat:
  - While under the influence of intoxicating liquor or drugs to such an extent as to be incapable of the proper control of the boat; or
  - While in a condition for which you are convicted of an offense under the Criminal Code of Canada or any other jurisdiction in which we have permitted you in writing to operate the vessel.
8. Any dishonest acts or any intentional or willful damage caused by you or a person using your yacht with your permission.

## PHYSICAL DAMAGE COVERAGES

**With respect to Hull & Machinery, Trailer, and Personal Effects – We will cover accidental direct physical loss or damage to the insured property from any cause except loss or damage by:**

- Mechanical breakdown, wear and tear, weathering and gradual deterioration, electrolysis, inherent vice, mould, corrosion, and superficial marring, scratching and denting; however, we will insure ensuing covered loss unless another exclusion applies.
- Freezing or Ice. However, if your vessel has been winterized by a licensed marine mechanic and is out of the water, we will cover the loss but do not waive our rights to subrogate against the responsible party;
- Latent Defect. We will not cover any repair or replacement of a part which failed as a result of a latent defect; however, we will cover physical damage which results from the failure of the excluded part.
- Delay or Loss of Use

## HULL & MACHINERY INSURANCE

### We will cover:

- Your yacht (and its inboard, outboard, or inboard/outboard motor), described on the Declaration Page; This includes while the insured yacht is being transported on land conveyance within a twelve hundred and fifty kilometer radius of its home port, including the risks of loading and unloading but excluding marring, scratching, chipping and denting;
- Your tender (not exceeding 13' in length) and its motor, if used as a tender in the Insured boat's service and described on the Declaration Page;
- Any boat(s) or marine equipment you acquire by ownership during the policy period. You must advise us within fifteen days of acquisition and pay the additional premium. Until a value is agreed between us, the amount insured shall be the purchase price or the actual cash value at the time of acquisition, or the current Hull and Machinery amount of insurance, whichever is less;
- Your portable equipment normally required for the operation or maintenance of the boat including electronic and navigation equipment.

### Valuation

If there is a **total loss**, we will pay the amount of insurance shown on the Declaration Page for your yacht, tender and tender's outboard motor. We will pay that amount if the reasonable expense of recovering and repairing the property equals or exceeds the amount of insurance. We will have the rights to salvage at our option.

We will pay all **other losses** without any amount deducted for depreciation; however, protective covers & sails will be settled on an Actual Cash Value Basis **when they become 5 years old**.

**Our Option of Repair:** *If plywood, plastic, fiberglass, metal, cement or other moulded material is damaged, we will pay only the reasonable cost of repairs or suitable patches to the damaged area. These repairs will be made in accordance with quality marine repair practice.*

### Unrepaired Damage

If the damage to the insured yacht or its equipment is not repaired:

- We will not be liable for more than the actual cash value of the damaged parts. That value will not exceed what it would cost to repair the damaged property with material of like kind and quality;
- We will not pay for unrepaired damage in addition to a payment for a subsequent total loss of the yacht and its equipment.

### Collision Liability

We will pay, in addition to other payments under Hull & Machinery Coverage, if you become legally liable to pay for property damage to another vessel caused by collision with your boat while waterborne. If you are named in a suit alleging liability for such property damage, we will settle or defend the suit as we think appropriate.

Our obligation to pay, settle or defend ends when the amount we pay for damages, including legal expenses, equals the Amount of Insurance on your boat shown on the Declarations Page – Hull and Machinery Coverage. Claims under this coverage are not subject to a deductible.

### Operation Of Other Watercraft

Subject to all the terms and conditions stated in your policy, we will cover you while operating a **similar type vessel** for private pleasure purposes and with the permission of the owner, another boat which is neither owned in whole nor in part by you nor is being provided for your regular use, nor is under charter. Coverage for physical loss or damage to such other boat and its "property" insured as defined in this policy is provided only under the Hull and Machinery Section of your policy. The limit of our liability from such loss shall not exceed the actual cash value at the time of loss, nor what it would then cost to repair or replace the damaged property with other of like kind and quality, nor the Amount of Insurance for which your boat is covered on the Declarations Page of this policy.

This extension of coverage will be in excess of all other valid and collectible insurance protecting you in respect of the same event and, accordingly, will not contribute.

### TRAILER INSURANCE Valuation

If there is a **total loss**, we will pay the amount of insurance shown on the Declarations Page for your Trailer. We will pay that amount if the reasonable expense of recovering and repairing the property equals or exceeds the amount of insurance.

We will pay all **other losses** without any amount deducted for depreciation.

We will have the rights to salvage at our option.

**No coverage is provided under this policy for Bodily Injury or Property Damage to Others caused by your owning, maintaining or using any trailer while it is attached to the towing vehicle.**

### PERSONAL EFFECTS

We will cover direct physical loss or damage to any personal effects of an insured person provided such property is aboard, or while being placed upon or removed from the yacht. This consists of such items as clothing, sports equipment and other personal property.

This insurance does not cover currency, travellers cheques, passports, securities, evidence of debt, valuable papers or documents. With respect to individual articles of personal adornment such as, but not limited to, bullion, jewellery, costume jewellery, watches or furs, we will not be liable for more than One Hundred Dollars (\$100.00) on any one article.

In addition to the General Exclusions listed, we **will not cover losses under Personal Effects Section which are as a result of unexplained or mysterious disappearance.**

### Valuation

We shall not be liable for more than the replacement cost of the covered property at the time of loss. Losses recoverable under this Section will be on a primary basis over all other insurance. You will find your coverage limit for Personal Effects on the Declaration Page. This is the most we will pay for losses which arise from any one accident or series of accidents caused by the same event. If you submit a claim under this section, we will ask for the name of the Insurer and the policy number of your personal property policy for our files.

If you do not replace the items we will not be liable for more than the actual cash value of the damaged goods at the time of the loss.



### GENERAL ADDITIONAL COSTS WE WILL PAY

- Reasonable expenses for repairs required to protect covered property from further loss following a covered loss. This protection does not increase the Amount of Insurance that applies to the property being repaired;
- Up to \$1,500.00 per disablement for labour done at the place of disablement and for towing. This includes delivery of fuel, oil or battery but we do not cover the cost of these items. Deductible: Nil;
- If your vessel is lost or damaged from an insured peril we will Pay:

a) Up to \$1,500.00 for reasonable out-of-pocket expenses – Deductible \$100.00 – OR –

b) Up to \$200.00 per day and not more than \$1,500.00 in total for you to rent a boat of similar kind and quality. Regardless of the expiry date of this policy, coverage will cease on A) the completion of repairs or replacement of your vessel, or B) the date we make final payment for your claim, whichever first occurs. In no event is McMichael-Davis Marine Insurance Ltd. or Lombard General Insurance Company of Canada responsible for procuring a rental vessel on your behalf.

Rental vessel will be covered under “Operation of Other Watercraft” of the policy wording and please refer to that section for terms and conditions of coverage. Liability per Limit on Declaration Page will also apply to the rental vessel. Please keep all records and receipts.

- Search & Rescue: If a covered person is lost overboard from your yacht, we will pay up to \$10,000.00 for search and rescue expenses you incur to recover such overboard person.
- Up to \$1,500.00 for your liability assumed by contract or agreement for Fire Department charges incurred when the Fire Department is called to save or protect your boat from an insured peril. Deductible: Nil;
- Any reasonable expenses incurred to protect your boat should it be endangered by an insured peril.
- Debris Removal – The Insurer will indemnify the Insured for expenses incurred in the removal from the “premises” of debris of the property insured occasioned by loss or damage to such property for which coverage is afforded under this policy. The amount payable under this extension shall not exceed \$2,000.00.

## PROTECTION AND INDEMNITY INSURANCE (Liability)

**We will reimburse insured persons who become legally liable for damages arising from their ownership or use of the yacht for:**

- Bodily injury or death;
- Loss or damage to any property, whether it is on board your yacht or not. This includes loss or damage to any fixed or moveable object, such as a float or a dock and any property that is on that object;
- Costs that result from the attempt of actual raising, removal or destruction of the wreck of your yacht if required by law;
- The rescue of you, your passengers and members of your crew.

**Payment for Losses:** You will find your coverage limit for Protection and Indemnity on the Declaration Page. Regardless of the number of Insured Persons, this is the most we will pay for any losses which arise from one accident or series of accidents caused by the same event.

**Additional Coverages:** In addition to the Amount of Insurance on the Declaration Page we will pay:

- Reasonable expenses incurred by us or at our request;
- Premium on any bond in an amount no greater than the Amount of Insurance shown on the Declaration Page when required in any suit defended by us;
- Interest on our portion of the judgment or amount of settlement which is earned by you before we make payment;
- Defense Costs – We will provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit for such damages as we think appropriate. Payments for the cost of legal defense will be in addition to payments we make under coverage for Liability.

Claims That Are Not Covered:

**We will not cover:**

- Any liability you or any insured person has assumed under any contract or agreement;
- Any person for bodily injury or property damage intentionally caused by that person;
- Any liability for bodily injury to any insured person;
- Any liability for damage to property owned or rented by, or in the care, custody or control of any insured person except as otherwise stated in this policy;
- Any bodily injury to, or the death of workmen or any other persons employed in any capacity whatsoever by you in, on, or about, or in connection with the yacht or any work or repair to it, if benefits are required or available under a workers compensation law;
- Any fine or other penalty which any government body requires you to pay;
- Any liability arising out of the transportation of the yacht on land.

**Obligation to Pay:** We will not pay any amount under this section unless the insured person's obligation to pay has been determined by judgment against the insured person after trial or by written agreement between the insured person, the claimant and us.

**Federal Longshoremen's and Harbour Workers' Compensation Act of the United States of America:**

We will provide you with coverage required by the Federal Longshoremen's and Harbour Workers' Compensation Act. We will cover you as long as your responsibility arises from your ownership or use of your yacht. The Longshoremen's and Harbour Workers' Compensation Act is Public Act No. 803 of the 69<sup>th</sup> Congress, approved March 4, 1927. It also includes any amendments that are in force while this policy is in effect. We will comply with all the provisions of this Act, and with any rules, regulations, orders and decisions of the Office of Workers' Compensation Programs, of the U.S. Department of Labour.

**ADDITIONAL LIABILITY COVERAGES  
NEWLY ACQUIRED WATERCRAFT**

We cover damages you are legally obligated to pay for bodily injury or property damage caused by an occurrence resulting from the use of any watercraft you acquire during the policy period for up to 15 days after you acquire it, unless stated otherwise or an exclusion applies. These payments do not increase the amount of liability coverage. You must request coverage for the newly acquired watercraft within 15 days after you acquire it; we must agree to insure it; and you must pay the premium from the date acquired.

**NON-OWNED WATERCRAFT LIABILITY**

We agree to extend this coverage to cover the legal liability imposed on you while operating for private pleasure purposes, private pleasure watercraft which are not owned, furnished, hired or chartered, or available for your regular use, and the watercraft is being operated with the permission of the owner.

However, this extension does not cover your liability for any physical loss or damage to the non-owned watercraft, its equipment, furnishings or cargo. Further, this extension of coverage will be in excess of all other valid liability insurance protecting you in respect of the same event and accordingly will not contribute therewith.

**MEDICAL PAYMENTS**

If a person is injured while boarding, on board or alighting from the Insured yacht we will pay for reasonable medical and funeral expenses if incurred within one (1) year from the date of injury. The limit shown on your Declaration Page is the most we will pay for any one accident and this overall limit applies whether one or more people are injured in the accident. Medical payments may be paid directly to the injured person or to the person or organization that provided the treatment.

**We will not cover medical payments or expenses:**

- When the Insured person has contractually assumed liability to the injured person;
- For injuries suffered by persons employed to maintain or repair the Yacht or by any other employees while they are engaged in their employment;
- For injuries to the extent by which benefits are payable under and Provincial or Federal medical scheme.

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

## ACCIDENT BENEFITS

If, as a direct result of the boat insured hereunder stranding, sinking, capsizing, burning or being in a collision; the owner, spouse or any of their minor children lose their lives; we shall pay in the event of such occurrence up to the following:

- \$10,000.00 for the death of the named insured;
- \$10,000.00 for the death of the spouse; and
- \$1,000.00 for the death of each minor child

All such payments shall be made to the estate of the deceased.

## UNINSURED/EXCESS UNDERINSURED BOATERS COVERAGE

"Uninsured Owner or Operator" means a person identified as the Owner or Operator of a boat, who carries no Liability insurance at the time of an accident, or whose Liability insurer denies coverage or becomes insolvent, or who owns or operates a hit-and-run boat that cannot be identified.

"Underinsured Owner or Operator" means an Owner or Operator who does carry Liability insurance but for a lower limit than the Combined Single Limit that you carry on the boat(s) on your policy.

### Insuring Clause:

We will pay for Bodily Injury damages which an Insured Person has sustained as a result of being on a boat insured by your policy when the boat is involved in an accident with an Uninsured Boat Owner or Operator, or with an Underinsured Boat Owner or Operator, provided the Insured Person is legally entitled, based on the facts of the accident, to recover Bodily Injury damages from that Owner or Operator.

Under Excess Underinsured Boater's coverage, we will pay for these damages after the Underinsured Owner's or Operator's policy limits are exhausted: that is, in excess of such limits and to a maximum consisting of the difference between the Liability limit of the Underinsured Boater's policy and your policy.

"Insured Person" under this section means you or any person while aboard a boat that is insured by this policy.

We provide coverage for Bodily Injury liability claims so long as the Insured Person does not settle their claim against the other Owner or Operator without our consent. If the Insured Person obtains a court judgment for damages against the Uninsured or Underinsured Owner or Operator, it will not be binding upon us unless we are made aware of and consent to the legal action before it has commenced. We will not be liable to the extent that an Insured Person is entitled to recover under any other insurance policy, and the amount we pay may be reduced by any entitlement that an Insured Person has to disability benefits, or benefits under any Workers Compensation scheme.

### Combined Single Limit:

The amount shown on the Declaration Page is a Combined Single Limit for Uninsured and Excess Underinsured Boaters Coverage. Regardless of the number of Insured Persons, this is the most we will pay for any losses which arise from one accident or series of accidents caused by the same event.

## YOUR DUTIES AFTER A LOSS

If you or an insured person have a loss or a claim that may be covered under this policy, you or the insured person must:

**Notify Us:** Notify McMichael-Davis Marine Insurance Ltd. as soon as possible and provide us with a written notice, which will state with respect to the incident – where, when and how; the property concerned and the nature of the loss; the names and addresses of injured persons and the nature of the injuries; and the names and addresses of witnesses

Submit to us within 30 days of the occurrence a sworn written statement that sets forth to the best of your knowledge and belief; a full description of the loss or claim; the time and place of the accident or event; the names and addresses of anyone injured and any witnesses.

**Notify the Authorities:** If an injury or collision is involved notify the Coast Guard. If a theft or suspected theft or fire is involved, notify the police or the fire department.

**Salvage/Mitigation:** You and any insured person have a duty, in the event of any loss, damage or occurrence, to protect the insured property from further loss. We will pay all costs and expenses reasonably incurred in minimizing or averting a greater loss that would have formed a claim under this policy. If repairs are made, have the repair yard save all the parts that were replaced. We may want to inspect them.

**Inspection:** You must permit us to inspect the damages before repairs are made. You must not make any repairs that are unnecessary to actually protect the property from further damage without our prior permission. If you do, we do not have to reimburse you for your expenses.

**Repairs:** It is your responsibility to authorize repairs, after notice to us, but we have the option to designate that repairs to your yacht are made: according to quality marine repair practices; or according to repair procedures recommended by the builder.

**Preserve Our Right to Recover:** You may have the right to recover for a loss from someone else. Once we pay your loss under this policy, this right of recovery will belong to us. You must do everything possible to preserve our right to recover and not admit any liability or make any admission of fault.

**Abandoned Property:** We are not obligated to accept any property that you abandon.

**Misrepresentations:** If you willfully make any false statement in a proof of loss, your right to indemnity will be impaired.



## GENERAL TERMS AND CONDITIONS

This part of your policy contains some general terms that apply to your entire policy.

**Premium:** If your Yacht is a total loss or a constructive total loss, all premiums shall be fully earned and retained.

**If You Have Other Insurance:** You may have other insurance that covers your loss. If so, the most we will pay for the loss will be calculated as follows: We will:

Add the total applicable coverage limits of all valid and collectible insurance covering the loss; calculate what percentage our coverage limit is of this total; multiply the amount of your loss by this percentage. The result is the most we will pay.

**Co-operation With Us:** In the event of a loss covered by this policy, you must co-operate with us. Do not assume any obligations, admit any responsibility or make any settlements or payments without first getting our written permission. However, you must take the reasonable steps that are necessary to protect any damaged property.

If you receive any legal papers in connection with a claim or a suit, you must send us copies immediately.

If we ask, you must attend hearings and trials. You must assist us in obtaining and giving evidence, obtaining witnesses, and making settlements.

**Transfer of Your Interest:** You agree not to do either of these things without our prior written permission:

- Transfer any interest you may have in your yacht to another person or organization;
- Transfer this policy, or any part of it, to any other person or organization.
- "Transfer" includes any assignment or pledge as a security for a debt.

**Hold Harmless Agreements:** Permission is granted for you to sign "hold harmless" agreements with yacht clubs, marinas and other authorities where such agreements are necessary and customary.

**Limitation of Actions:** Every action or proceeding against us under this policy in respect of loss or damage shall be commenced within one year next after the happening of the loss and not afterwards.

**Changes in the Policy:** This policy contains all the agreements between you and us. No changes may be made unless agreed by us in writing.

**Conformity to Statutes:** Any provision in this policy that conflicts with any provincial statute is hereby amended to conform to the minimum requirements of that statute.

**Arbitration:** If you and we disagree on the amount of loss:

1. Upon written demand by you or us, each will choose within 20 days, a competent, impartial appraiser;
2. These appraisers shall appoint a competent, impartial umpire. If they cannot agree on an umpire within 15 days, you or we will ask a court judge of the province of your residence to appoint an umpire;

3. If the two appraisers cannot agree on the amount of the loss, they will ask the umpire to help;

The written agreement of any two will set the amount to be paid;

And both you and we shall each:

1. Pay the costs and expenses of the appraisers each has selected; and
2. Share equally the costs and expenses of the umpire.

**Liberalization Clause:** If we adopt any change during the term of this policy that would broaden the coverage under this policy without additional premium, the broadened coverage will automatically apply to your policy.

**Held Covered:** If the navigation limits of this policy are breached because of circumstances beyond your control, this policy shall remain in effect provided written notice is given to us as soon as the facts constituting the breach are known to you and any additional premium is paid.

**Currency Clause:** All amounts used in this policy are in Canadian currency. Premiums will be paid and all losses adjusted and paid in Canadian currency.

**Concealment or Fraud:** We do not provide coverage for a person who fails to disclose, conceals or misrepresents any material facts or circumstances relating to this insurance.

**Cancellation:** You may cancel this policy by returning it to McMichael-Davis Marine Insurance Ltd. and stating, in writing, the future date you want it to be cancelled. Signatures are required from all persons named as Insureds and from lienholders, if applicable.

We may cancel this policy by written notice to you at the address shown in this policy, or last known address. Cancellation by us will be effective as of the date shown on the Cancellation notice but not less than fifteen (15) days after the date of mailing the notice. The mailing of notice is sufficient proof of notice of cancellation. Delivery of notice shall be equivalent to mailing.

When you request cancellation, the return premium will be based on our short-rate table. If, however, you request cancellation mid-term because of sale of the vessel and IF YOU PROVIDE A COPY OF THE BILL OF SALE ALONG WITH THE CANCELLATION REQUEST – we will provide return premium on a pro rata basis. When we cancel, the return premium will be pro rata of the annual premium. If you or we cancel the policy, we have the right to retain the minimum premium stated on the Declaration Page.



*The Declaration Page with the policy wording and endorsements, if any, constitute this policy issued by the Company named on the Declaration Page.*

*This has been properly executed by the Company but shall not be valid unless countersigned by an authorized representative of the Company.*

**This policy is issued by Lombard General Insurance Company of Canada**

**And administered by McMichael-Davis Marine Insurance Ltd.**

**Lombard General Insurance Company of Canada**

**The following are added to the General Exclusions and are applicable to All Coverages & Sections**

**1. Information Technology Hazards Clause**

Losses otherwise recoverable under this Contract arising, directly or indirectly, out of:

- ❖ Loss of, or damage to, or
- ❖ A reduction or alteration in the functionality or operation of

a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment, whether the property of the policyholder or not, are not covered by our Contract.

However, if such losses result in further loss or damage that is directly caused by:

theft of equipment, collision, sinking, grounding or stranding of carrying vessel, overturning or derailment of land conveyance, jettison or washing overboard, fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing or weight of snow,

then this exclusion shall not apply to such resulting loss or damage.

**2. SRCC & Terrorism Exclusion**

We will **NOT** cover:

- ❖ Loss, damage or expense caused by or resulting from strikes, riots, civil commotion, lockouts, labour disturbances or the acts of any person or persons taking part in any such occurrence or disorder.
- ❖ Loss, damage or expense caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond or to terminate Terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organizations(s) involving:

- i) the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- ii) putting the public or any section of the public in fear.