

POLICY CONDITIONS

I. AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out.

II. DEFINITIONS

“You” or “Your” means the person(s) named as Insured in the Declarations.

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

“Actual Cash Value” means the actual or current value at the time of loss. It is the cost of repairing or replacing the damaged or destroyed property with a new article of like kind and quality, less depreciation.

“Unit” means the MOTORCYCLE described in the Declarations.

“Motorcycle” means the motorcycle(s) described in the Declarations, included any permanently attached equipment or accessories.

III. COVERAGE

SECTION A – Motorcycle Insurance

BASIS OF CLAIM PAYMENT

For total losses we will pay the amount of insurance shown for your Motorcycle on the Policy Declaration Page. We will pay that amount, if the reasonable expense of recovering and repairing the Motorcycle equals or exceeds the amount stated on the Policy Declaration Page.

In the event of partial losses we will reimburse you based on the reasonable cost of repairs actually incurred.

We will pay losses without any deduction for depreciation, with the exception of tires and batteries.

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

- 1) 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;
- 2) we will not pay for unrepaired damage in addition to a payment for a subsequent total loss of the Motorcycle and its equipment;
- 3) we will not be liable for any unrepaired damage that amounts to more than the amount of insurance shown for your Motorcycle at the time this insurance terminates.

SECTION B – Trailer Insurance

BASIS OF CLAIM PAYMENT

This policy includes \$1,000 coverage for a trailer that you may have. It must be used exclusively to transport the insured motorcycle or a trailer towed by the insured motorcycle. If desired, this insured amount may be increased for an additional premium.

For a total loss we will pay the lesser of the amount of insurance shown on the Policy Declaration Page or the Actual Cash Value of the trailer at the time of loss.

In the event of a partial loss we will reimburse you for the reasonable cost of repairs actually incurred, without deduction for depreciation, with the exception of tires.

All losses will be subject to a deductible of \$250.

SECTION C – Riding Gear Insurance

BASIS OF CLAIM PAYMENT

This policy includes \$1,000 for riding gear. Riding gear is limited to helmets (maximum 2), leather pants and jackets, gloves, riding boots, and saddlebags. If desired, this insured amount may be increased for an additional premium.

In the event of a loss, we will reimburse you for the amount of the actual cash value of the damaged or stolen items.

All losses will be subject to a deductible of \$250

Conditions applying to Sections A, B and C

INURED PERILS

You are insured against ALL RISK of direct physical loss or damage to the unit from any external cause (including General Average and Salvage charges) except:

- 1) wear and tear or mechanical breakdown;
- 2) loss or damage caused by deterioration, dampness of atmosphere, extreme of temperature, contamination, vermin or insects, inherent vice or latent defect, rust or corrosion, 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;
- 3) the cost of making good faulty workmanship, construction or design;
- 4) 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;
- 5) loss or damage as a result of your dishonest or willful act.

EXCLUSIONS

- 1) We will not be liable for loss or damage:
 - (a) caused by mechanical fracture or breakdown of any part of the unit, or by rusting, corrosion, wear and tear, the weight of the load exceeding manufacturer’s designated capacity of the unit, freezing, or explosion within the combustion chamber, BUT we will be liable if the loss or damage is coincident with other loss or damage which is covered;
 - (b) resulting from conversion, embezzlement or by theft by any person in lawful possession of the unit under a mortgage, conditional sale, lease or any other similar written agreement;
 - (c) resulting from a voluntary transfer of title or ownership, whether or not induced to do so by any fraudulent scheme, trick or false pretense;
 - (d) caused directly or indirectly by contamination by radioactive material; or
 - (e) resulting from the use or operation of the unit in any official race, hill climb or speed test; or for any business or commercial purpose.
- 2) We will not be liable for loss, damage or expense 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 EXCLUDED

- This policy does not insure:
- 1) motorized vehicles (except the described MOTORCYCLE) or personal property of the Insured or others;
 - 2) property pertaining to a business, profession or occupation;
 - 3) property rented or used for compensation for hire;
 - 4) property illegally acquired, kept, stored or transported;
 - 5) 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
 - 6) property while waterborne except while on a regular ferry or railway car transfer in connection with land transportation.

DEDUCTIBLE CLAUSE

We are liable only for the amount by which the loss or damage caused by any of the perils insured against under the policy exceeds the amount of deductible stipulated in the Declarations. This deductible clause is not applicable in the event of a total or constructive total loss.

IV. ELITE ENHANCEMENT COVERAGES

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 Described 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.

No deductible applies to this coverage.

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.

No deductible applies to this coverage.

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 (outside your city of residence) 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) incurred because of damage to, or theft of your motorcycle, subject to a maximum of \$1,000,
- iii) the cost of travel expenses to return home using the most direct route, or the cost of a rental vehicle, to a maximum of \$1,500,

No deductible applies to this coverage.

V. STATUTORY CONDITIONS

MISREPRESENTATION

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstances that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

PROPERTY OF OTHERS

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

CHANGE OF INTEREST	The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law or by death.
MATERIAL CHANGE	Any change material to the risk and within the control and knowledge of the Insured voids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
TERMINATION	<ol style="list-style-type: none"> (1) This contract may be terminated: <ol style="list-style-type: none"> (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; If mailed, such period of notice to be calculated from the Post Office at the point of mailing, (b) by the Insured at any time on request. (2) Where this contract is terminated by the Insurer, the excess of premium actually paid over the pro-rata earned premium will be refunded. (3) Where this contract is terminated by the Insured, the premium is minimum and fully retained and no premium will be refunded, unless the motorcycle is sold to a Third party, in which case the excess of premium actually paid over the short-rate earned premium will be refunded. (4) In the event of a total loss or constructive total loss of the unit due to an accident covered by this insurance all premiums shall be fully earned by the Underwriters.
REQUIREMENTS AFTER LOSS	<p>Upon the occurrence of any loss or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract;</p> <ol style="list-style-type: none"> (a) forthwith give notice thereof in writing the Insurer; (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration; <ol style="list-style-type: none"> (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs and actual cash value and particulars of amount of loss claimed; (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, as far as the Insured knows or believes; (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured; (iv) showing the amount of other insurance and the names of other insurers; (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property; (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract; and (vii) showing the place where the property insured was at the time of loss. (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, and actual cash value.
FRAUD	Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.
WHO MAY GIVE NOTICE AND PROOF	Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and 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.
SALVAGE	<ol style="list-style-type: none"> (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto. (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.
ENTRY, CONTROL AND ABANDONMENT	After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.
APPRAISAL	In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any 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 therefor is made in writing and until after proof of loss has been delivered.
WHEN LOSS PAYABLE	The loss is payable within sixty days after completion of the proof of loss.

REPLACEMENT	(1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within thirty days after receipt of the proof of loss. (2) In the event the Insurer shall commence to so repair, rebuild or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.
ACTION	Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.
NOTICE	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 the 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.

VI. 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 & 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	Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with property deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace same with material of like kind and quality.
SUBROGATION	The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

VII. 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 CAUSE	The amount of insurance provided by this policy shall not be reduced as a consequence of loss payment except in the event of a total or constructive total loss under this policy in which event the total premium of the policy shall be deemed to be earned in full.
SUBROGATION	Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insurer to recover.
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.