

M. SANCTIONS

This Policy shall not apply to any trade or activity which is subject to any applicable economic, political or trade sanction, prohibition or restriction. No Insurer nor reinsurer shall be deemed to provide cover, be liable to pay any damage or provide any benefit hereunder to the extent that the provision of such cover, payment of such damage or provision of such benefit would expose the Insurer or reinsurer or any member of the Insurers' group to any applicable economic, political or trade sanction, prohibition or restriction. The Insurer or reinsurer is obligated to comply with all applicable United Nations, European Union, US (including those imposed by the Office of Foreign Asset Control) and Canadian financial restrictions, measures and sanctions, which shall all form part of this clause.

This Policy applies only to Breakdowns occurring within Canada or the United States of America, and its possessions and territories.

WHAT THIS POLICY DOES NOT COVER:

This Policy does not provide coverage for:

- D Your Vehicle if it has ever had a salvage title.
- E Costs covered by any Warranty, regardless of whether or not a payment is made by the warrantor.
- F Costs or damage covered by any policy of insurance covering Your Vehicle.
- G Costs incurred to improve operating performance if the component(s) is within Manufacturer's tolerance or specification. This includes, but is not limited to: (1) Manufacturer's upgrades or design changes, (2) valve and ring repairs designed to improve engine compression, reduce oil consumption, or to remove sludge or carbon deposits, (3) improvements for diminished performance.
- H Any failure regardless of cause, if any maintenance requirement was not performed as outlined in Section D.
- I The following list of components are covered only if damaged by the failure of a covered component: head gaskets, other seals and gaskets, block, liners, housing(s) or cylinder head(s), oil leaks, harmonic balancer, engine tune-up, spark plugs, glow plugs, filters, lubricants, injector sleeves/cups, fluids, coolers, coolant, refrigerant, flywheel/flexplate, fasteners/retainers (example - nuts, bolts, clips, screws, snap rings), Engine (Jake) brakes.
- J Any repair or replacement of a covered component if a Breakdown has not occurred. Wear and tear, excessive oil consumption, loss of compression and the gradual reduction in operating performance is not covered unless and until Manufacturer's tolerances are exceeded.
- K A Breakdown caused by or contributed to by operating the Vehicle without proper levels or specification (type) fluids, lubricants, coolants or using improper or contaminated fluids.
- L A Breakdown caused by the failure of a non-covered part, or caused by corrosion, rust, dirt or dust. Any loss or Breakdown resulting from racing or other competitive driving, operator error, collision, fire, theft, vandalism, riot, war, lightning, earthquake, windstorm, hail, water, freezing, flood, salt, environmental damage or Acts of God.
- M Incidental or consequential loss or damage, loss of time, use, inconvenience, profits, wages, towing expense (except as explicitly provided herein), lodging, meals and storage resulting from a Breakdown.
- N Any liability or property damage, injury or death of any person, punitive or exemplary damages and/or legal expenses or court fees, arising out of the operation or use of Your Vehicle.
- O Your Vehicle if the odometer or ECM has been stopped, altered or misrepresents Your Vehicle's actual N L O R P H W H U. Factory ECM's/ECM (Electronic Control Modules/Units) parameters, codes, warning systems and alarms cannot be altered and must be in working order at all times while this Policy is in effect.
- P A Breakdown or failure to a covered component that occurs prior to the coverage term for that component, including those arising out of an improper repair performed prior to the date You purchased the Vehicle. These conditions may not have been known to the parties at time You purchased the Vehicle. A Breakdown caused by or involving modifications or alterations made to Your Vehicle that were not performed by the Manufacturer or the Dealer shown in the Declarations. Examples include but are not limited to: emission control, exhaust system and engine modifications.
- Q A Breakdown caused by abuse, misuse, negligence, spin-out, shock load, over-rev, towing, overloading or hauling that exceeds the Manufacturer's recommendations for Your Vehicle.
- R Your Vehicle if used for rental, limousine service, law enforcement, emergency service, security service or snow plowing (without written authorization from the Administrator).
- S A Breakdown or the increased damage caused by the continued operation of an impaired Vehicle. If initial damage can be determined to be a covered component(s), an estimate of such damage will be determined by the Administrator and any coverage, if provided, will be limited to those repairs.
- T OEM design issues or changes, Technical Service Bulletins, OEM recalls or OEM upgrades.
- U Refrigeration Units that are incompatible or improperly designed for the covered Vehicle.
- V A non-Canada or non-US specification vehicle.
- W **Any claim that was not authorized in advance by Administrator.**
- X Shop materials, hazardous waste disposal charges, freight charges, miscellaneous charges, or Environment and Climate Change Canada charges.

WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE IS EXPRESSLY EXCLUDED.

KEY TERMS

Capitalized terms in this Policy shall have the following meanings, unless the context requires otherwise:

"ADMINISTRATOR" means Canadian Truck Protection, ULC, d/b/a Premium 2000+ located at 1020 rue Bouvier Suite 400, Québec, QC G2K 0K9; telephone number 1-888-883-2632], which is administering this Policy on Our behalf.

"AGGREGATE" means the total of all occurrences for a particular, major component or group of components. "Total Aggregate" is the total of all occurrences for all covered, major, listed components, plus claims paid under the Towing Benefit.

"POLICY" means this Premium 2000+ Vehicle Warranty Insurance Policy that You have purchased to protect Your Vehicle, including any endorsements to the Policy.

"POLICY DATE" means the date shown in Section I of the Declarations.

"POLICY PERIOD" is the period from the Policy Date until the latest end date of coverage for any component or until the Policy otherwise expires or terminates, whichever is earlier, according to Section B of the General Provisions.

"AUXILIARY POWER UNIT (APU)" means the self-contained Auxiliary Power Unit - Engine only (manufactured by Thermo King and Carrier only).

"BREAKDOWN" OR "MECHANICAL BREAKDOWN" means the failure of any original or like replacement part covered by this Policy to work as it was originally designed to work in normal service, providing that it has received customary maintenance as recommended by the Manufacturer in the owner's manual. It does not mean the gradual reduction in operating performance due to normal wear and use when the component is within Manufacturer's tolerance or specifications. A component will be deemed failed when wear exceeds Manufacturer's tolerances.

"COSTS" means the usual and fair charges for parts and labour necessary to repair or replace the covered components. These charges shall not exceed the Manufacturer's suggested retail (list) price for parts and labour allowances derived from nationally recognized labour time at a maximum of \$165.00 per hour (subject to regional adjustment).

"DEDUCTIBLE" means the amount that You must pay for covered repairs per covered claim as described in Section F of the General Provisions.

"MILES TRAVELED" means the actual Miles that the Vehicle has traveled as recorded by an unaltered odometer or Electronic Control Module (ECM).

"OEM (Original Equipment Manufacturer) or "Manufacturer" means the company who manufactured a component or the Vehicle and whose label, model number and serial number are on the piece of equipment or Vehicle.

"REPAIRER" means a franchised dealer or repair facility with Automotive Service Excellence (ASE) or manufacturer recognized certification that provides a written parts and labour guarantee for repairs to covered components of not less than 180 days or 6,000 Miles (9,656 kilometers). Any repairs must receive written authorization in advance from the Administrator, prior to beginning repairs.

"PROGRESSIVE DAMAGE" refers to all damage that results after, and is related to, the initial failure of a covered component. The initial failure must be to a component on the Schedule of Covered Components listed above for coverage to be considered.

"REFRIGERATION UNIT" means the self-powered, climate control unit, utilized for the refrigeration storage compartment of the truck (manufactured by Thermo King and Carrier only).

"VEHICLE" means the covered vehicle described in Section I of the Declarations.

"WE", "US", "OUR", or "INSURER" means the underwriter of this coverage, Continental Casualty Company, 66 Wellington Street West, Suite 3700, Toronto, Ontario M5K 1J5, Canada, +1 (800) 831-4262.

"YOU" and "YOUR" or "INSURED" means the Insured shown in Section I of the Declarations.

"WARRANTY" means any warranty covering Your Vehicle, including those from the Manufacturer, Dealer or Repairer.

YOU ARE REQUIRED TO OBTAIN WRITTEN AUTHORIZATION FROM US PRIOR TO BEGINNING ANY REPAIRS COVERED BY THIS POLICY.

STATUTORY CONDITIONS

The following requirements are added to and become part of this Policy and supersede any other provisions to the contrary:

1. **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 circumstance 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.
2. **Property of Others.** The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.
3. **Change of Interest.** The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.
4. **Material Change of Risk.**
 - (a) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - i. material to the risk, and
 - ii. within the control and knowledge of the insured.
 - (b) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
 - (c) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - i. terminate the contract in accordance with Statutory Condition 5, or
 - ii. notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
 - (d) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium."
5. **Termination of Insurance.**
 - (a) The contract may be terminated
 - i. by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - ii. by the insured at any time on request.
 - (b) If the contract is terminated by the insurer,
 - i. the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - ii. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
 - (c) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
 - (d) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.
6. **Requirements after a Loss.**
 - (a) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - i. immediately give notice in writing to the insurer,
 - ii. deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 1. giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 3. stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 4. stating the amount of other insurances and the names of other insurers,
 5. stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 6. stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 7. stating the place where the insured property was at the time of loss,
 - iii. if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - iv. if required by the insurer and if practicable,
 1. produce books of account and inventory lists,
 2. furnish invoices and other vouchers verified by statutory declaration, and
 3. furnish a copy of the written portion of any other relevant contract.
 - (b) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.
7. **Fraud.** Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.
8. **Notice of Loss.** Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
 - (a) by the agent of the insured, if
 - i. the insured is absent or unable to give the notice or make the proof, and
 - ii. the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.
9. **Salvage**
 - (a) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
 - (b) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.
10. **Entry, Control, Abandonment.** After loss or damage to insured property, the insurer has
 - (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - i. without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - ii. without the insurer's consent, there can be no abandonment to it of the insured property.
11. **In Case of Disagreement**
 - (a) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
 - (b) There is no right to a dispute resolution process under this condition until
 - i. a specific demand is made for it in writing, and
 - ii. the proof of loss has been delivered to the insurer.
 - (c) If the claim cannot be settled, the insured has the right to commence legal action against the insurer in a court in the insured's province. The insurer will advise the insured to consult with their legal counsel regarding any time limitations that may affect their right to bring legal action against the insurer.
12. **When Loss Payable.** Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.
13. **Repair or Replacement**
 - (a) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
 - (b) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.
14. **Notice.**
 - (a) 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.
 - (b) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.