

EQUIPMENT PHYSICAL DAMAGE INSURANCE POLICY



INSURER: The issuer of this Policy is Industrial Alliance Pacific General Insurance Corporation (hereinafter called the "Insurer").

PRIVACY NOTICE: We will collect and retain all personal information concerning your Policy and claims. The information will be used for purposes of underwriting, marketing, administration and cancellation of your Policy and investigation of claims. We will only access your file on a need to know basis and it will be kept at our secure location. Your file can be reviewed and/or rectified by written request. iA Financial Group, its affiliates and their agents may use and share your personal information with each other so that you can benefit from personalized offers and improved products and services. If You do not wish Your information to be shared within the iA Financial Group, please contact the Insurer.

| |
|-------------------------|
| POLICY NO. |
| LIENHOLDER CONTRACT NO. |

DEALER

| | | | |
|------------|-------------------|-----------|-------------|
| DEALER NO. | DEALERSHIP'S NAME | TELEPHONE | FAX NO. |
| ADDRESS | CITY | PROVINCE | POSTAL CODE |

POLICYHOLDER

| | | | |
|---|---------------------------|----------|-------------|
| POLICYHOLDER'S SURNAME/COMPANY'S NAME | POLICYHOLDER'S FIRST NAME | | |
| ADDRESS | CITY | PROVINCE | POSTAL CODE |
| TAX EXEMPT - IF APPLICABLE, RECORD STATUS CARD NO. <input type="checkbox"/> STATUS CARD NO.: | TELEPHONE | EMAIL | |

IF POLICYHOLDER IS A COMPANY

| | |
|------------------------------|---------------------------------|
| AUTHORIZED SIGNATORY SURNAME | AUTHORIZED SIGNATORY FIRST NAME |
|------------------------------|---------------------------------|

POLICY TERM

| | | | | |
|------------------------------------|-------------------------------------|---|----------------------------------|---|
| POLICY PURCHASE DATE MM/DD/YYYY | POLICY EFFECTIVE DATE MM/DD/YYYY | POLICY TERM IN MONTHS MAX. 84 MONTHS | POLICY EXPIRY DATE MM/DD/YYYY | DEDUCTIBLE See Terms & Conditions TAXES MAY APPLY |
|------------------------------------|-------------------------------------|---|----------------------------------|---|

EQUIPMENT COVERED

See Equipment Covered Schedule on page 2

POLICY PREMIUM

| | | |
|---------|---------|---------------|
| PREMIUM | PST/RST | TOTAL PREMIUM |
|---------|---------|---------------|

FINANCE TYPE

FINANCE LEASE CASH

LIENHOLDER (LENDER) INFORMATION

If the Policy Premium has been financed, Lienholder will be entitled to any refund of Premium due to cancellation.

| |
|---|
| NAME/ADDRESS Kubota Canada Ltd., 5900 14th Avenue, Markham, ON L3S 4K4 |
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INSURER - INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION

THE INSURER UNDER THIS POLICY IS INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION. THIS INSURANCE POLICY IS BETWEEN THE POLICYHOLDER AND THE INSURER. IT COVERS THE EQUIPMENT DESCRIBED AND IS SUBJECT TO THE PROVISIONS OF THIS POLICY. FALSE STATEMENTS OR INCORRECT INFORMATION MAY VOID THIS INSURANCE.

| |
|-------------------------|
| POLICY NO. |
| |
| LIENHOLDER CONTRACT NO. |
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EQUIPMENT COVERED SCHEDULE

| MODEL | YEAR | MAKE | CONDITION (NEW/PRE-OWNED) | IF PRE-OWNED, AT THE TIME OF PURCHASE, ODOMETER READING IN KM OR HOURS USED | LIMIT OF INSURANCE |
|---------------|------|------|------------------------------|---|--------------------|
| SERIAL NUMBER | | | | | |
| DESCRIPTION | | | | | |

SAMPLE

EQUIPMENT PHYSICAL DAMAGE INSURANCE POLICY

Words and phrases that appear in bold print have special meanings and are defined in the Definitions section of this Policy.

Throughout this Policy the words "you" and "your" refer to the Policyholder named on Page 1. The words "we", "us" and "our" refer to the Insurer.

A – DEFINITIONS

When used with respect to insurance under this Policy

- 1) **Actual Cash Value – the Retail Cash Selling Price of the Equipment Covered** less depreciation or betterment. Depreciation is a decrease or loss in value to the **Equipment Covered** because of use, disuse, physical wear and tear, age, out datedness or other causes. Betterment is improvement of the **Equipment Covered** to a value greater than its pre-loss condition.
- 2) **Equipment Covered** – Equipment described on the **Equipment Covered** Schedule of the Policy and sold to you by the selling Dealer.
Equipment Covered does not mean and does not include:
 - accounts, bills, deeds, money, notes, securities, evidences of debt or other valuable papers or records;
 - aircraft, watercraft, forestry equipment, railroad locomotives and rolling stock;
 - vehicles licensed for road use except for trailers used to haul **Equipment Covered**;
 - bridges, tunnels, piers, wharves or docks, buildings and other structures;
 - equipment in course of manufacture;
 - jewelry, watches, furs, garments trimmed in fur, bullion, precious metals, precious or semi-precious stones or gems, or stamps or coins whose value exceeds face value; or
 - **Equipment Covered** after your interest in it ceases.
- 3) **Lienholder** – The financial institution that has advanced the money for the purchase of the Policy Premium and holds a lien on the **Equipment Covered**.
- 4) **Pollutants** – any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed, organisms or micro-organism including bacteria, fungus, mold, or their spores or products or viruses or other pathogens.
- 5) **Retail Cash Selling Price** – the original price paid by you for the **Equipment Covered**. This does not include taxes, fuel charges and delivery or set up fees.
- 6) **Specified Peril** – aircraft or self-propelled missiles, explosion, fire, or lightning, leakage from fire protection equipment, mine subsidence, riot or civil commotion, sinkhole collapse, smoke, vandalism, vehicles, volcanic action, wind or hail.
- 7) **Total Loss** – a loss of such significance where the cost of restoring the damaged **Equipment Covered** would exceed its value after restoration.

B – COVERAGE

We will pay for direct physical loss or damage to **Equipment Covered** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance shown on the **Equipment Covered** Schedule of the Policy.

C – COVERAGE EXTENSION

The following Coverage Extension shall not increase the Limit of Insurance shown on the Policy and is subject to all terms, conditions and provisions of this Policy.

Removal – We will pay up to \$5,000 in any one occurrence for the cost to move **Equipment Covered** if you must move the **Equipment Covered** to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded.

D – ADDITIONAL COVERAGES

The limit of insurance for these additional coverages is \$10,000. This is the most we will pay for the sum of all such covered costs caused by or resulting from perils not otherwise excluded that occur during the term of this Policy.

- 1) **Debris Removal** – We will pay for the costs you incur to remove debris of damaged **Equipment Covered** caused by or resulting from a peril not otherwise excluded. The most we will pay for debris removal is the lesser of 25% of the covered direct physical loss or damage or \$10,000. Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to the **Equipment Covered**.
Debris removal does not apply to costs to clean up or remove **Pollutants** from air, land or water, either inside or outside of a building or other structure, or clean up, remove, restore or replace polluted air, land or water, either inside or outside of a building or other structure.
- 2) **Pollutant Clean Up Or Removal** – We will pay the costs you incur to clean up or remove **Pollutants** from air, land or water if the **Pollutants** were part of **Equipment Covered**, and the discharge, dispersal, seepage, migration, release, or escape of the **Pollutants** is caused by or results from a peril not otherwise excluded and has resulted in direct physical loss or damage to the **Equipment Covered**. The costs will be paid only if they are reported to us in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the **Pollutants**.
We will not pay for costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**, other than payment for testing which is performed during the clean up or removal of the **Pollutants** from the air, land or water, either inside or outside of a building or other structure.

E – COVERAGE TERRITORY

The coverage territory is anywhere within, and in transit within and between Canada and the Continental United States of America.

F – LIMITS OF INSURANCE

The most we will pay for the **Equipment Covered** under this Policy is the amount shown on the **Equipment Covered** Schedule of the Policy.

G – DEDUCTIBLE

You will be responsible to pay \$250 per occurrence for the **Equipment Covered** that is lost or damaged. The Deductible is subject to all applicable taxes.

H – CONDITIONS

- 1) **Abandonment** – There can be no abandonment of any **Equipment Covered** to us unless we specifically agree to such abandonment in writing.
- 2) **Loss Payment** –
 - a) We will pay for covered loss or damage within 30 days after we receive

the sworn proof of loss from you if you have complied with all of the terms of this insurance, and we have reached agreement with you on the amount of loss, or an appraisal award has been made.

- b) We will pay the **Lienholder** first (if applicable) based on its financial interest in the **Equipment Covered** and any remaining funds will be paid to you.
- 3) **Other Insurance** – If you have other insurance against loss or damage covered by this Policy, we will pay only the amount of the covered loss in excess of the amount due from any other insurance, whether collectible or not.
- 4) **Recovered Equipment** – If any lost or damaged **Equipment Covered** is recovered by you, us or **Lienholder** after a loss payment is made, the party making the recovery must give the other parties prompt notice. If any lost or damaged **Equipment Covered** has a salvage value, we shall control the disposition of such salvage.
When **Equipment Covered** is recovered, you or **Lienholder** may keep the recovered **Equipment Covered** and return the loss payment to us.
If any recovered **Equipment Covered** has salvage value, or if there is any money recovered through subrogation, we will reimburse you and **Lienholder** from the amount recovered for the deductible amount that was paid. If there are any expenses in recovering any lost or damaged **Equipment Covered**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

I – LOSS PAYMENT BASIS

- 1) Our liability to you shall be determined by us according to one of the following methods, after deduction of any compensation for the lost or damaged **Equipment Covered** paid to you by a third party and less the deductible stated in Section G. of this Policy:
 - a) The **Retail Cash Selling Price** of the lost or damaged **Equipment Covered** on a **Total Loss**, less salvage value, if the loss happens within the first 60 months of the Effective Date, if applicable, and if you agree to replace the **Equipment Covered** within 60 days from the notice of claim approval with:
 - i) new equipment purchased from the original manufacturer; or
 - ii) with new equipment of like kind and quality purchased from an authorized and approved dealer; or
 - b) The cost to repair the damaged **Equipment Covered** if it is not a **Total Loss**. There will be no deduction for depreciation; or
 - c) The **Actual Cash Value** of the **Equipment Covered** as of the date of **Total Loss**, less salvage value, if the loss happens after the first 60 months of the Effective Date, if applicable, or if the **Equipment Covered** is not replaced at the original manufacturer or at an authorized and approved dealer, less salvage value.
- 2) At our option, we may pay for the loss of the **Equipment Covered** in money or may repair or replace the damaged or stolen **Equipment Covered**. We may take all or such part of the **Equipment Covered** at an agreed or appraised value; however, the **Equipment Covered** may not be abandoned to us.

J – CANCELLATION OR TERMINATION OF COVERAGE

- 1) **Termination** – Coverage ends on the expiration date of the Policy.
- 2) **Cancellation** of this Policy may occur in the following ways:
 - a) The Policyholder may cancel this Policy by making a request to the Insurer.
 - b) We may cancel this Policy for non-payment of the Total Premium, for material misrepresentation or fraud in obtaining this Policy, if you have violated any of the Terms and Conditions set forth in this Policy, or for misrepresentation in the submission of a Claim.
 - c) If the **Lienholder** repossesses the **Equipment Covered**, the **Lienholder** may cancel this Policy. Any refund will be payable to the **Lienholder** only.
- 3) Refunds due to cancellation of this Policy will be made as follows:
 - a) If this Policy is canceled within 30 days after the Effective Date, the Policyholder will be reimbursed the Total Premium paid, less, where permitted by law, any claims paid.
 - b) If this Policy is canceled after the first 30 days following the Effective Date, we will refund a portion of the Total Premium paid in consideration of the Policy Term the Policyholder has selected and the Effective Date. The refund will NOT be calculated pro-rata but will be calculated by the following formula: (Premium x Rule of 78 x 0.75 + Premium prorated based on the number of days remaining in the Policy Term x 0.25), plus any applicable taxes and less, where permitted by law, any Claims paid.
 - c) If the Policy Premium has been financed and the loan is still in place at time of cancellation, the **Lienholder** named on the Policy will be named on the cancellation refund cheque.

K – EXCLUSIONS

This insurance does not apply to:

- 1) **Artificial Currents** – Loss or damage caused by or resulting from artificially generated electric currents. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 2) **Change in Temperature** – Loss or damage caused by or resulting from dampness of atmosphere or extreme changes in temperature.
- 3) **Disappearance** – Loss or damage caused by or resulting from shortage disclosed on taking inventory, where there is no physical evidence to show what happened.
- 4) **Dishonesty** – Loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees or by anyone authorized to act for you, or anyone to whom you have entrusted **Equipment Covered** for any purpose.
This exclusion does not apply to:
 - a) Acts of vandalism by your employees;
 - b) Acts committed by carriers for hire, or anyone claiming to be a carrier for hire, other than you, your partners, directors, trustees and employees or anyone authorized to act for you;
 - c) Acts committed by a warehouseman for hire, other than you, your partners, directors, trustees, and employees or anyone authorized to act for you; or
 - d) Ensuing loss or damage unless another exclusion applies.
- 5) **Governmental Action** – Loss or damage caused by or resulting from seizure,

confiscation, expropriation, nationalization or destruction of the Equipment by order of government authority, regardless of any other cause or event that directly or indirectly contributes concurrently to, contributes in any sequence to or worsens the loss or damage, even if such other cause or event would otherwise be covered. This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance.

- 6) **Latent Defect** – Loss or damage caused by or resulting from latent defect or any quality within the **Equipment Covered**. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 7) **Loss of Market** – Loss or damage caused by or resulting from loss of market, loss of use or delay.
- 8) **Marring, Chipping, Scratching** – Loss or damage resulting in marring, chipping or scratching unless caused by fire, lightning, explosion, windstorm, hail, theft, overturning, derailment or collision of conveyance on which the **Equipment Covered** is being transported.
- 9) **Mechanical Breakdown** – Loss or damage caused by or resulting from mechanical breakdown of that Equipment. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 10) **Mistakes** – Loss or damage caused by or resulting from error in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of the **Equipment Covered**. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 11) **Nuclear Hazard** – Loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly contributes concurrently to, contributes in any sequence to; or worsens, the loss or damage, even if such other cause or event would otherwise be covered. This exclusion does not apply to ensuing loss or damage caused by or resulting from fire, if the fire would be covered under this insurance.
- 12) **Planning, Design, Materials or Maintenance** – Loss or damage (including the cost of correcting or making good) caused by or resulting from any faulty, inadequate or defective planning, zoning, development, surveying, site selection, design, specifications, plans, workmanship, repair, construction, renovation, remodelling, grading, compaction, materials used in repair, construction, renovation or remodelling or maintenance of part or all of any Equipment. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 13) **Pollutants**
 - a) Loss or damage caused by or resulting from the mixture of or contact between the **Equipment Covered** and a **Pollutant**, when such mixture or contact causes the **Equipment Covered** to be impure and harmful to itself or to other equipment, persons, animals or plants, air, land or water or any other part of an environment either inside or outside of a building or other structure. This exclusion applies regardless of any other cause or event that directly or indirectly contributes concurrently to, contributes in any sequence to, or worsens, the loss or damage, even if such other cause or event would otherwise be covered.
But Paragraph a) does not apply to:
 - i) the mixture of or contact between the **Equipment Covered** and **Pollutants** if the mixture or contact is directly caused by or directly resulting from a **Specified Peril**;
 - ii) the mixture of or contact between the **Equipment Covered** and **Pollutants**, if the **Pollutants** were part of or emitted from such the **Equipment Covered**; and the mixture of or contact between such the **Equipment** and **Pollutants** is directly caused by direct physical loss or damage to the **Equipment Covered** directly caused by a peril and not otherwise excluded;
 - iii) a gas, water or other liquid which escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground oil tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
 - iv) any solid, liquid or gas used to suppress fire;
 - v) water which backs up or overflows through sewers, drains or sumps, seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure or enters doors, windows or other openings in any building or other structure.
 - b) Paragraph ii) through iv) above do not apply to loss or damage involving radon or any other naturally occurring gaseous irritant or contaminant, organisms or micro-organisms including bacteria, fungus, mold, or their spores or products or viruses or other pathogens; or
- 14) **Any increase in costs, loss or damage associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants** regardless of any other cause or event that directly or indirectly contributes concurrently to, contributes in any sequence to, or worsens, the loss or damage, even if such other cause would otherwise be covered.**
But Paragraph b) does not apply to the Additional Coverage, Pollutant Clean Up or Removal.
- 14) **Voluntary Parting** – Loss or damage by or resulting from voluntary parting with title or possession of the **Equipment Covered**, including renting it out, and even if such voluntary parting was fraudulently induced by a trick, scheme, device or false pretense.
- 15) **Rust, Oxidation, Corrosion or Discoloration** – Loss or damage caused by or resulting from rust, oxidation, corrosion or discoloration. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 16) **War and Military Action** – Loss or damage caused by or resulting from war, including undeclared or civil war, wartime action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents or insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

regardless of any other cause or event that directly or indirectly contributes concurrently to, contributes in any sequence to or worsens the loss or damage, even if such other cause or event would otherwise be covered.

- 17) **Wear and Tear** – Loss or damage caused by or resulting from wear and tear or gradual deterioration. This exclusion does not apply to ensuing loss or damage unless another exclusion applies.
- 18) **Weather** – Loss or damage caused by or resulting from rain, sleet, freezing and snow with respect to the **Equipment Covered** in the open unless you have taken all proper steps to protect the equipment including use of anti-freezing fluids in accordance with the manufacturers handbook and specifications.
- 19) **Weight Capacity** – Loss or damage caused by or resulting from the weight of a load exceeding the lifting capacity of the machinery or equipment at the time of the loss.

L- CHANGES

This Policy can only be changed by a duly signed written endorsement that becomes a part of the Policy.

M- PAIR, SET OR PARTS

- 1) **Pair or Set** – In case of loss or damage to any part of a pair or set we may repair or replace any part to restore the pair or set to its value before the loss or damage; or pay the difference between the value of the pair or set before and after the loss or damage.
- 2) **Parts** – In the case of loss or damage to any part of the **Equipment Covered** consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

N- CONCEALMENT OR MISREPRESENTATION

This insurance is void if you intentionally conceal or misrepresent any material fact or circumstance relating to this insurance at any time.

O- COMPLIANCE BY POLICYHOLDER

We have no duty to provide coverage under this Policy unless you have fully complied with all the terms and conditions of this Policy.

P- TRANSFER OF RIGHTS AND DUTIES

Your rights and duties under this insurance may not be transferred without our written consent.

Q- YOUR DUTIES IN THE EVENT OF LOSS OR DAMAGE

You must ensure that the following is done in the event of loss or damage:

- a) Notify us or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the **Equipment Covered** involved, the time and place of the loss or damage, and names and addresses of available witnesses.
- b) Notify the police if a law may have been broken.
- c) Take every reasonable step to protect the **Equipment Covered** from further damage and keep a record of your expenses necessary to protect such **Equipment Covered** for consideration in the settlement of the claim. This will not increase any Limit of Insurance. Also, if feasible, set such damaged **Equipment Covered** aside and in the best possible order for examination.
- d) File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of the loss or damage.
- e) Cooperate with us in the investigation, settlement or handling of any claim.
- f) Authorize us to obtain records or reports necessary for our investigation.
- g) At our request, give us complete inventories of the damaged and undamaged equipment. Include quantities, costs, values and amount of loss or damage claimed.
- h) As often as may be reasonably required, permit us to inspect the **Equipment Covered** and examine your books and records; as well as permit us to take samples of the damaged and undamaged **Equipment Covered** for inspections, testing and analysis, and permit us to make copies of your books and records.

If you have any questions, you can contact the Insurer's customer service at the address shown below. If You are a customer outside of Quebec, you can also contact a licensed agent at INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION (iAPG) – 1 833 701-8278 (Tel) or pdi.brokers.iasc@ia.ca (Email).

R- HOW TO REPORT A CLAIM

Please be prepared with the following information when reporting a claim:

- Policy number
- Lienholder Contract Number
- Date of loss
- Loss location
- A brief description of what happened
- Photos
- Name and Contact information

INSURER'S CONTACT INFORMATION

Industrial Alliance Pacific General Insurance Corporation
P.O. Box 5900, Vancouver, B.C., V6B 5H6

Customer Service/Cancellation:

1 877 671-9009 (Tel) cancellation.iasc@ia.ca (Email)

Claims:

pdi.claims.iasc@ia.ca (Email)
Outside of Quebec: 1 888 899-2448 (Tel)
Quebec: 1 877 356-6636 (Tel)

For procedures on how to file a complaint, please visit:
iadealerservices.ca/complaints

OUTSIDE OF QUEBEC LICENSED AGENT INFORMATION

1 833 701-8278 (Tel) pdi.brokers.iasc@ia.ca (Email)