DAMAGE AND LOSS PROTECTION

We will pay for the cost to repair or replace your equipment in case of loss or damage.

This insurance is optional, you are not required to purchase it.

However, if Kubota Canada Ltd. is financing the purchase of your equipment, you are required to provide proof of insurance against "ALL RISKS" that protects your equipment against flood, theft, collision, fire and overturning whether these risks occur on or off your property.

The insurance described in this summary allows you to meet this requirement of Kubota Canada Ltd.

What is this document for?

This summary presents key aspects of the nature and conditions of the insurance and will help you determine if this product meets your needs.

This summary is not an insurance policy.

Conditions and exclusions applicable are described in full in the insurance policy. You can view a sample policy on our website at: iadealerservices.ca.

SAMPLE

INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION

REGIONAL OFFICE
9150 Leduc Blvd., Suite 601
Brossard QC J4Y 0E3
iadealerservices.ca

Administration
1 877 671-9009

Claims
1 877 356-6636
pdi.claims.iasc@ia.ca

Insurer client number with the Autorité des marchés financiers: 2001346401

Website of the Autorité des marchés financiers: lautorite.qc.ca

7028E (DEC/2020)

INFORMATION INTENDED FOR THE CONSUMER

Product Summary

EQUIPMENT PHYSICAL DAMAGE INSURANCE

Offered by: iA Pacific General™

Through the following distributor:

Damage and loss protection

Eligible equipment

You can purchase this insurance to cover any of your equipment purchased from your Kubota dealer, except:

- If the equipment is licensed for road use, except for trailers used to haul your equipment;
- If the equipment is an aircraft, a watercraft, a forestry equipment, a railroad locomotive or a rolling stock.

Risks covered

We will provide coverage if your equipment is damaged or lost in the following circumstances:

- Accidental damage, including collision or overturning
- Theft or vandalism
- Fire, windstorm, flood, hail or hurricane

Your equipment is covered against all these risks, whether it is on or off your property.

Coverage territory

Canada and the Continental United States.

How is the benefit calculated?

In case of total loss of the equipment

If your equipment suffers a total loss or is stolen within the first 60 months, you will have the choice to either:

- Receive the full retail cash selling price of your equipment (excluding taxes, fees and delivery charges) to purchase a new equipment from the original manufacturer or a new equipment of like kind and quality from an approved dealer, within 60 days from the notice of claim approval; or
- Receive the actual cash value of your equipment.

If your equipment suffers a total loss or is stolen after the first 60 months, you will receive the actual cash value of your equipment.

In case of damage to the equipment

If your equipment is damaged but not a total loss, we will cover:

- Reimbursement of the repair costs, without deduction for depreciation.

Maximum amount of insurance

A maximum amount of coverage will be set for each equipment that you choose to insure. It will be provided on page 2 of your insurance policy.

Applicable deductible

- $250 per event.

Please refer to the insurance policy for all the conditions applicable to the benefit calculation and payment.

Costs to move your damaged equipment

We will cover the costs to move your damaged equipment if you must move it to protect it from further damage or loss.
Maximum: $5,000 per event.

Additional coverages

The maximum amount payable for these additional coverages is $10,000 for the entire duration of the insurance.

Costs to remove debris

We will cover the costs to remove the debris caused by your damaged equipment up to 25% of the value of the damage to your equipment.

Costs to clean up pollutants

We will cover the costs to clean up the pollutants released by your damaged equipment from air, land or water.

Exclusions

The insurance doesn't apply if loss or damage is caused by:

- Mechanical breakdown
- Wear and tear
- Inadequate repair or maintenance of your equipment
- Extreme changes in temperature
- Rust, oxidation, corrosion or discoloration
- Weight of a load exceeding the lifting capacity of your equipment

There are other exclusions applicable to this insurance. Please refer to the Exclusions section of the insurance policy for the complete list of exclusions.

SAMPLE

Insurance premium calculation

The insurance premium is calculated based on the equipment sales price and the policy term.

The total premium amount will be indicated on the insurance policy.

Your right to terminate this coverage

At any time

You can terminate this insurance any time by calling 1 877 671-9009.

Cancellation requested in the first 30 days

We will reimburse the full premium amount.

Cancellation requested after the first 30 days

We will reimburse a portion of the premium.

How we reimburse the premium

The reimbursement amount will be paid directly to you, unless the policy premium has been financed by Kubota Canada Ltd. and the loan is still in place at time of cancellation. In this case, Kubota Canada Ltd. will be named on the refund cheque.

The reimbursement amount is calculated in terms of change in insurance risk over time based on the following formula:

$$\text{Premium before tax} \times \left(\text{75\% of: } \frac{D \times (D+1)}{T \times (T+1)} + \text{25\% of: } \frac{D}{T} \right) + \text{9\% tax} = \text{Reimbursement amount}$$

Where: D = Number of days remaining, calculated from the date of your last financing payment due date. If you cancel before your first payment is due, D is calculated from the cancellation date.
T = Original insurance term in days.

Example of cancellation of insurance with a 60-month (1,825-day) term after 800 days of coverage:

$$\$1{,}919.19 \text{ (premium)} \times \left(\text{75\% of: } \frac{1{,}025 \times (1{,}025+1)}{1{,}825 \times (1{,}825+1)} + \text{25\% of: } \frac{1{,}025}{1{,}825} \right) + \$65.13 \text{ (tax)} = \text{Reimbursement of } \$788.85$$

To file a claim: 1 877 356-6636

- Notify us as soon as possible, as to what occurred. Include a description of your equipment, the time and place of the loss or damage, and names and addresses of available witnesses.
- Notify the police if a law may have been broken.
- Protect your equipment from further damage and keep a record of your expenses necessary to protect it.
- File with us, sworn proof of loss within **90 days** after the date of the loss or damage.
- We may request supporting documentation. We will respond with a decision within 30 days after we receive the sworn proof of loss from you.
- If your claim is accepted, we will pay Kubota Canada Ltd. first (if applicable and if the financing by Kubota Canada Ltd. of your equipment is still in force). Any remaining funds will be paid to you.

Consequences of false declarations

Your claim could be denied and your insurance cancelled if you provide incorrect or incomplete information.

For claim disputes

We are here to serve you, don’t hesitate to contact us for assistance.

If your claim is denied, you have 1 year to contest our decision in writing.

You can consult our complaints policy or file a complaint by visiting our website at: iadealerservices.ca/complaints.

SAMPLE

NOTICE OF FREE CHOICE OF INSURER AND REPRESENTATIVE

Section 443 of the Act respecting the distribution of financial products and services (chapter D-9.2)

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

You are required to purchase insurance coverage described below in order to secure the repayment of a loan.

However, you are free to purchase this insurance from the insurer and representative of your choice. **You can thus obtain the required insurance in 3 different ways:**

(1) By purchasing the insurance offered to you;
If you choose this option, you benefit from the application of section 441 of the Act which allows you to rescind an insurance contract that you signed at the time of signing another contract, without penalty, within 10 days of its signature. However, you must then purchase another equivalent insurance to the satisfaction of the creditor who may not refuse without reasonable cause.

(2) By purchasing other insurance that is equivalent to the insurance required, to the satisfaction of the creditor who may not refuse without reasonable cause.

(3) By demonstrating that you already have insurance that is equivalent to the insurance required, to the satisfaction of the creditor who may not refuse without reasonable cause.

You may change insurer or representative at any time, provided that you maintain during the term of the loan agreement an insurance equivalent to the insurance required to the satisfaction of the creditor who may not refuse without reasonable cause. You cannot be required to choose or keep an insurance contract with a particular insurer, nor can you be refused credit or have your loan called in for this reason.

NOTICE OF FREE CHOICE OF INSURER AND REPRESENTATIVE

To rescind your insurance, you may use the section hereunder entitled “Notice of rescission of an insurance contract”.

For further information, contact the Autorité des marchés financiers at 1 877 525-0337 or visit www.lautorite.qc.ca.

DESCRIPTION OF THE REQUIRED COVERAGE
(section completed by the distributor)

To secure the repayment of your loan, we have required that you purchase:

☒ damage insurance:

Insurance against "ALL RISKS" including flood, theft, collision, fire and overturning both on and off your property.

in an amount of: the value of your equipment.

SAMPLE

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A DISTRIBUTOR

Section 440 of the Act respecting the distribution of financial products and services (chapter D-9.2)

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

The Act allows you to rescind an insurance contract, **without penalty,** within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.

After the expiry of the applicable time, you may rescind the insurance contract at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1 877 525-0337 or visit www.lautorite.qc.ca.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To:
Industrial Alliance Pacific General Insurance Corporation
9150 Leduc Blvd., Suite 601
Brossard QC J4Y 0E3
Tel.: 1 877 671-9009
Email: cancellation.iasc@ia.ca

Date: _____
(date of sending of notice)

Pursuant to section 441 of the *Act respecting the distribution of financial products and services,* I hereby rescind insurance

contract no.: _____
(number of contract, if indicated)

Entered into on: _____
(date of signature of contract)

In: _____
(place of signature of contract)

_____
(name of client)

_____
(signature of client)