

HiRoad Xtra Mechanical Breakdown Insurance Policy

Terms and Conditions

Definitions

- Administrator**..... refers to INDS Canada Corp.
- Coverage**..... refers to the component protection **You** have chosen, as shown on the **Declaration Page**.
- Declaration Page**..... refers to the page that becomes part of this **Policy**. It gives information about **You, Your Vehicle, Coverage** and other significant data.
- Deductible**..... refers to the **Deductible** type and amount **You** will need to pay, as shown on the **Declaration Page**, for each covered **Failure** repair visit.
- Failure**..... **Failure** is defined as a **Failure** of a defective part or faulty workmanship as supplied by the Manufacturer or Dealer, but does not include gradual reduction in operating performance due to wear or tear or damage resulting from **Failure** of non-covered parts.
- Policy or MBI Policy**..... refers to this Vehicle Mechanical Breakdown Insurance (MBI) Policy.
- We, Us, Our**..... refers to the entity who is obligated to perform under this **Policy**, as indicated on the **Declaration Page**.
- You, Your**..... refers to the **Policy** holder named on the **Declaration Page** or the person to whom this **Policy** was properly transferred.
- Vehicle**..... refers to the **Vehicle** which is described on the **Declaration Page**, which cannot be used for rental, emergency or for-hire purposes.

Terms and Conditions

The following Terms and Conditions together with **Your Declaration Page** constitute **Your MBI Policy**.

1. **POLICY PERIOD:** This **Policy** begins immediately and will expire five (5) years from the start date or one hundred sixty (160,000) kilometres from the odometer kilometres at the start date, whichever occurs first, as shown on the **Declaration Page**.
2. **FAILURE OF COVERED PARTS:** We will pay or reimburse **You** for reasonable costs to repair or replace any **Failure** of a part included in **Your Coverage**. Replacement parts may be new, remanufactured or replacement parts of like kind and quality.
3. **TERRITORY:** This **Policy** is limited to **Failures** which occur, and repairs that are made, within Canada and the United States of America.
4. **LIMIT OF LIABILITY**
 - a) The Maximum limit of liability per loss shall be equal to the actual cash value (ACV) of the vehicle at the time of repair. If a claim on the engine, drive axle or the transmission exceeds the actual cash value of the vehicle and the Administrator elects to pay the actual cash value of the vehicle, the vehicle becomes the property of the Administrator for salvage. **You** must be able to provide free and clear title prior to Administrator paying the ACV.
 - b) The limit of liability per covered vehicle is \$4,000 per engine, \$2,750 per transmission, \$1,750 per differential; and \$300 in emergency roadside assistance claims.
 - c) Once the limit of liability has been reached, this **Policy**, its transfer and cancellation rights, terminate.
5. **OUR RIGHT TO RECOVERY:** If **We** pay anything under this **Policy** and **You** have a right to recover from another party, **Your** rights will become **Our** rights up to the amount **We** paid. **You** will do whatever is necessary to enable **Us** to enforce these rights.
6. **TRANSFER RIGHTS:** This **Policy** is for the benefit of the original **Policy** holder and is transferable subject to a transfer fee providing:
 - a) Proof of transfer of the remaining manufacturer's warranty is provided, if applicable.
 - b) **Policy** is being transferred to a subsequent private purchaser of **Your Vehicle**. (Transfer rights are voided when **Vehicle** is either traded, sold or put on consignment to an individual or entity engaged in the wholesale or retail sale, leasing or rental of **Vehicles**.)

You must submit the following:

 - a) Transfer application (Available from **Administrator**).
 - b) Bill of sale showing sale date and mileage at time of sale.
 - c) \$60.00 Transfer fee made payable to the **Administrator** within thirty (30) days of the transfer of **Vehicle** ownership.
7. **MAINTENANCE REQUIREMENTS:** **You** must:
 - a) Change the engine oil and filter within sixty (60) days of the warranty start date.
 - b) Have the engine oil and filter changed by a commercial service facility every four (4) months or six thousand (6,000) kilometres thereafter whichever comes first. Proper documented and verifiable receipts for oil and engine filter changes will be required in the event of a claim. Hand written receipts will not be accepted.

- c) Have the transmission fluid changed by a commercial service facility every twelve (12) months or thirty thousand (30,000) kilometres, whichever comes first. Proper documented and verifiable receipts for transmission fluid changes will be required in the event of a claim. Handwritten receipts will not be accepted.
 - d) Maintain **Your Vehicle** according to the manufacturer's recommendations as outlined in the owner's manual. **NOTE: Your** owner's manual has separate required maintenance schedules for "normal" and "more severe" operating conditions. **You** are required to follow the maintenance schedule that applies to **Your** conditions.
 - e) Be sure only the proper grade of lubricants and coolants, as recommended by the manufacturer, is used in **Your Vehicle**.
 - f) Retain verifiable receipts for all parts and materials necessary to perform the required maintenance.
 - g) Produce maintenance receipts for review by the Administrator in case of a claim.
8. **DEDUCTIBLE:** In the event of a **Failure** covered by this **Policy**, **You** may be required to pay a **Deductible**. No **Deductible** payment is required with respect to **Coverages** listed in the Benefits section of this **Policy**. The **Deductible** type and amount **You** have to pay is shown on the **Declaration Page**, for covered **Failures** on a per repair visit basis. Should a covered **Failure** require more than one visit to repair, only one **Deductible** will apply to that **Failure**.
9. **ARBITRATION:** If **We** and **You** do not agree on the settlement of any claim, either party may make a written request for arbitration. In this event, each party shall select an arbitrator. The two arbitrators shall select a third. If they cannot agree on a third within thirty (30) days, either may request that the selection be made by a judge of a court having jurisdiction. Each party shall pay the expenses they incur, and bear the expenses of the third party arbitrator equally. A decision agreed to by any two of the arbitrators shall be binding on both parties.

COVERAGE

PRIMARY

ENGINE (Gas or Diesel): All internally lubricated parts including: pistons, piston rings, piston pins, crankshaft and main bearings, connecting rods and bearings, camshaft and bearings, timing chain or belt, timing gears, intake and exhaust valves, valve springs, valve guides, oil pump, push rods, rocker arms, rocker arm shafts, hydraulic and solid lifters. The engine block and heads are also covered if damage is caused by a **Failure** of any of the above covered components.

WATER PUMP: Impeller shaft; bearings; bushings and housing.

TURBO/SUPERCHARGER: Internal parts; vanes; shafts; bearings and housing if damage is caused by a **Failure** of a covered component.

TRANSMISSION (Automatic or Standard): All internal parts; torque converter; vacuum modulator and mounts. Does not include clutch assembly; pressure plate; flywheel; throwout bearing; worn synchronizers; cables or electrical items. The case is also covered if damage is caused by a **Failure** of any of the above covered items.

TRANSFER UNIT (4x4): Internal parts including: bearings, bushings, sprockets, chains, sleeves and gears (excluding electrical items). The transfer case is also covered if damage is caused by a **Failure** of any of the above covered components.

SEALS AND GASKETS: Seals and Gaskets are replaced only as part of repair or replacement of the above covered components. Leaking gaskets or seals are not covered.

CUSTOM – includes Primary plus the following:

DRIVE AXLE(S): All internal parts; differential case is covered if damaged by the Failure of an internally lubricated moving part.

Note: If no box is checked on the **Administrator** copy of the Application Page, Primary **Coverage** will apply.

Benefits

- **CAR RENTAL REIMBURSEMENT:** Should the **Policy** Holder's **Vehicle** become inoperable and have to remain overnight for repair at the Dealership or Authorized Repair Facility, **Administrator** agrees, in the event of a **Failure** of a covered component, to reimburse the **Policy** Holder for rental car transportation (except where prohibited by law). Such expense shall be limited to thirty dollars (\$30) per calendar day and not to exceed one hundred fifty dollars (\$150) per occurrence. In computing the amount due under this rental **Coverage**, only actual factory manual repair time on the **Vehicle** is covered. *Example 1 to 8 hours = 1 day; 8.1 to 16 hours = 2 days; 16.1 to 24 hours = 3 days; 24.1 to 32 hours = 4 days, 32.1 to 40 hours = 5 days. Car rental benefit will not be extended to include downtime waiting for parts or other delays beyond control of Dealer or Authorized Repair Facility.*
- **TOWING ASSISTANCE** - When towing is necessary as a result of the failure of a covered component **Vehicle** is towed to the nearest authorized service facility. **You** will be reimbursed up to \$60.

What to do in the Event of a Failure

1. Prevent Further Damage - **You** should use all reasonable means and precautions to protect **Your Vehicle** from further damage. This **Policy** will not cover damage caused by not securing a timely repair of the failed component.

2. Take **Your Vehicle** to a Licensed Repair Facility - If **Your Vehicle** breaks down, return to the Issuing Dealer during normal service department hours. If this is not possible, take **Your Vehicle** to the licensed repair facility of your choice (You may contact **Administrator** for assistance in locating a repair facility).
3. Instruct the repair facility that they **must** obtain an authorization number from **Administrator** prior to proceeding with repairs. The amount so authorized is the maximum that will be paid. Any additional amounts need prior approval.
4. In some cases, **You** may be required to authorize the repair facility to inspect or tear down **Your Vehicle** to determine the cause and cost of the repair. **You** will be responsible for these charges if **Failure** is not covered by this **Policy**. **We** reserve the right to require an inspection of **Your Vehicle** prior to any repair being performed.
5. After **Administrator** has been contacted, review with the repair facility components that will be covered by this **Policy**.
6. **Administrator** will reimburse the repair facility or **You** for the cost of authorized repairs performed on **Your Vehicle**, less any applicable **Deductible**. All repair orders and necessary documentation must be submitted to **Administrator** within thirty (30) days to qualify for payment.

Repair Facility Guidelines for Claims Handling

Follow these steps when handling a claim:

1. Advise **Policy** holder that evaluation of a **Failure** does not mean that the repair is covered under this **Policy**. All covered repairs must receive prior authorization by **Administrator**.
2. Have **Policy** holder authorize inspection/tear down of the **Vehicle** to determine **Failure's** cause and cost to repair. Save all components, including fluids and filters, should **Administrator** require outside inspection. Notify **Policy** Holder that cost of tear down will not be paid if it is determined that **Failure** is not covered under this **Policy**.
3. Determine the cause of **Failure**, correction required and cost of the repairs.
4. Contact **Administrator's** Claims Advisor at **800-995-0290** to get authorization to proceed with the claim. Be prepared with the following when placing the call:
 - a. Customer's Name and **Policy** Number.
 - b. Cause of **Failure** and recommended correction.
 - c. Cost of repair.
5. The Claims Advisor will verify **Coverage** and do one of the following:
 - a. Approve Claim - If approved, **You** will be given an authorization number to be recorded on the repair order. The authorized amount is the maximum that will be paid. Additional amounts must receive prior approval.
 - b. Require Additional Evaluation, Inspection or Tear Down - **Administrator** may require an inspection prior to repair being completed. If a tear down is required to determine cause of **Failure**, **Policy** holder must authorize same. Notify **Policy** holder that if the repair is not covered, then **Policy** holder will be responsible for cost of the tear down. Repair facility should save all components requiring inspection, including fluids and filters. The Claims Advisor will arrange for the inspection. If inspection is not made within forty-eight (48) hours, contact the Claims Advisor.
 - c. Deny the claim and provide the reason for the denial.
6. Review **Administrator's** findings with **Policy** holder as well as what will be covered by **Policy** and what portion of the repairs, if any, will not be covered.
7. Obtain **Policy** holder's authorization to complete repairs. All repair orders must have customer's signature to qualify for payment.
8. Submit repair order(s) which should contain **Policy** number, authorization number and authorized amount to **Administrator** within thirty (30) days at the following address:

INDS Canada Corp.
203-20 York Mills Rd., Toronto, Ontario M2P 2C2
Voice: 800-995-0290 Fax: 800-995-0292
www.inds.ca
e-mail: claims@inds.com

Cancellation of Vehicle Policy

1. **You** may cancel this **Policy** by notifying **Us**. A cancellation form indicating the odometer reading at the date of request will be required.
2. **We** may cancel this **Policy** for non-payment of the **Policy** charge, or for intentional misrepresentation in obtaining this **Policy** or in submitting a claim.
3. If **Your Vehicle** and this **Policy** has been financed, the lienholder may cancel this **Policy** for non-payment, or if **Your Vehicle** has been declared a total loss or has been repossessed. The rights under this **Policy** are transferred to the lienholder and the lienholder is also entitled to any resulting refund.
4. If this **Policy** is canceled within the first sixty (60) days if **Vehicle** was purchased new or thirty (30) days if **Vehicle** was purchased used and no claim has been filed, the entire **Policy** charge paid will be refunded. After sixty (60) days for new or thirty (30) days for used, or if a claim has been filed, an amount of the unearned **Policy** charge will be refunded according to the pro-rata method reflecting the greater of the days in force or the kilometres driven based on the term of **Policy** and the date or kilometres when **Coverage** began.

5. A \$60 service charge will be deducted from all refunds after sixty (60) days for new and thirty (30) days for used **Vehicle Policies**.
6. In the event of cancellation, the lienholder, if any, will be named on the cancellation refund check.

Exclusions

Parts not listed are not covered.

This Vehicle Policy Provides NO Coverage or Benefits for the following:

- A. FAILURE OF A COVERED COMPONENT OCCURRING WITHIN THE FIRST NINETY (90) DAYS AND 1,600 KILOMETRES AFTER THE START DATE WILL NOT BE COVERED.
- B. OIL CONSUMPTION, WORN OUT PARTS, AND DIMINISHED PERFORMANCE INCLUDING THAT RESULTING FROM A GRADUAL REDUCTION IN OPERATING PERFORMANCE DUE TO NORMAL WEAR AND TEAR SUCH AS TO GUIDES, VALVES, RINGS, AND TRANSMISSION CLUTCH PACK, DISCS AND BANDS IS NOT COVERED.
- C. DIESEL ENGINES MANUFACTURED PRIOR TO 1990, ROTARY ENGINES, 4100 GM ENGINES OR ENGINES USED IN COMMERCIAL VEHICLES ARE EXCLUDED.
- D. THE FOLLOWING PARTS: CARBURETOR; BATTERY; BATTERY/BATTERY PACK ON HYBRID VEHICLES; SHOCK ABSORBERS; MANUAL TRANSMISSION CLUTCH ASSEMBLY; FRICTION CLUTCH DISC AND PRESSURE PLATE; THROWOUT BEARING; MANUAL AND HYDRAULIC LINKAGES; DISTRIBUTOR CAP AND ROTOR; SAFETY RESTRAINT SYSTEMS (INCLUDING AIR BAGS); GLASS; LENSES; SEALED BEAMS; LIGHT BULBS; BRAKE HARDWARE; ALL EXHAUST AND EMISSION COMPONENTS EXCEPT THOSE SPECIFICALLY LISTED UNDER THE COVERAGE SECTION OF THIS POLICY; WEATHER STRIPS; ALL TRIM, MOLDINGS, HANDLES, KNOBS OR DIALS; BRIGHT METAL; CHROME; UPHOLSTERY AND CARPET; PAINT; OUTSIDE ORNAMENTATION; BUMPERS; BODY SHEET METAL AND PANELS; TIRES AND WHEELS/RIMS; GPS NAVIGATION SYSTEMS; PHONE SYSTEMS; TV/VIDEO/ENTERTAINMENT SYSTEMS AND INTERNET ACCESS SYSTEMS.
- E. MAINTENANCE SERVICES AND PARTS DESCRIBED IN YOUR VEHICLE'S OWNER'S MANUAL AS SUPPLIED BY THE MANUFACTURER AND OTHER NORMAL MAINTENANCE SERVICES AND PARTS INCLUDING, BUT NOT LIMITED TO: ALIGNMENTS; WHEEL BALANCING; TUNEUPS; SPARK PLUGS AND SPARK PLUG WIRES; GLOW PLUGS; HOSES; DRIVE BELTS; BRAKE PADS, LININGS, SHOES, DRUMS AND ROTORS; WIPER BLADES.
- F. SHOP SUPPLY CHARGES; EPA DISPOSAL FEES; SPECIAL ORDER PARTS SHIPPING COST; PARTS LOCATOR RESEARCH FEE; STORAGE FEES; FILTERS, LUBRICANTS, COOLANTS, FLUIDS AND REFRIGERANTS EXCEPT WHEN REPLACEMENT IS REQUIRED DUE TO A COVERED FAILURE.
- G. ANY COMPONENT NOT COVERED BY THE VEHICLE MANUFACTURER FOR THE FULL TERM OF THE VEHICLE WARRANTY IS EXCLUDED.
- H. ANY FAILURE RESULTING FROM COLLISION; INTERNAL OR EXTERNAL FIRE; THEFT; VANDALISM; RIOT; EXPLOSION; LIGHTNING; EARTHQUAKE; FREEZING; RUST OR CORROSION; WINDSTORM; HAIL; WATER OR FLOOD; ACTS OF GOD; ACTS OF WAR; ACTS OF TERRORISM; SALT; ENVIRONMENTAL DAMAGE; CONTAMINATION OR LOSS OF FLUIDS, FUELS, COOLANTS OR LUBRICANTS; ABUSE; NEGLIGENCE; LACK OF NORMAL MAINTENANCE REQUIRED BY THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR VEHICLE; IMPROPER SERVICING AFTER THE EFFECTIVE DATE OF THIS POLICY; SLUDGE BUILD-UP OR FAILURE TO MAINTAIN PROPER LEVELS OF LUBRICANTS AND/OR COOLANTS; NOT PROTECTING THE VEHICLE FROM FURTHER DAMAGE WHEN A FAILURE HAS OCCURRED.
- I. ANY REPAIR OR REPLACEMENT OF A COVERED PART IF NO FAILURE HAS OCCURRED REGARDLESS OF REPAIR FACILITY RECOMMENDATIONS; OR IF THE WEAR ON THAT PART HAS NOT EXCEEDED THE FIELD TOLERANCES PERMITTED BY THE MANUFACTURER; ANY REPAIR NOT SPECIFICALLY AUTHORIZED BY US.
- J. IF ANY ALTERATIONS HAVE BEEN MADE TO YOUR VEHICLE OR YOU ARE USING, OR HAVE USED, YOUR VEHICLE IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER. THIS WILL INCLUDE, BUT NOT BE LIMITED TO: THE FAILURE OF ANY CUSTOM OR ADD-ON/AFTERMARKET PART REGARDLESS IF SUPPLIED BY A FRANCHISED DEALER OR NOT; ANY FRAME OR SUSPENSION MODIFICATIONS; LIFT KITS; OVERSIZED/UNDERSIZED TIRES OR WHEELS; TRAILER HITCHES; UNAUTHORIZED MODIFICATIONS TO ANY SYSTEM.
- K. IF YOUR ODOMETER HAS CEASED TO WORK AND REPAIRS HAVE NOT BEEN IMMEDIATELY MADE; THE ODOMETER HAS BEEN ALTERED IN ANY WAY SUBSEQUENT TO PURCHASE; OR IF VEHICLE'S TRUE MILEAGE CANNOT BE DETERMINED.
- L. ANY LIABILITY FOR PROPERTY DAMAGE, OR FOR INJURY TO OR DEATH OF ANY PERSONS ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF YOUR VEHICLE, WHETHER OR NOT RELATED TO THE PARTS COVERED. LOSS OF TIME, PROFIT, INCONVENIENCE, OR ANY OTHER LOSS THAT RESULTS FROM A FAILURE (EXCEPT AS PROVIDED UNDER THE BENEFITS OR COVERAGES HEREIN.)
- M. REPAIRS TO SEIZED OR DAMAGED ENGINES DUE TO CONTINUED OPERATION REGARDLESS OF CAUSE OR WITHOUT SUFFICIENT LUBRICANTS OR COOLANT. YOU ARE RESPONSIBLE FOR MAKING CERTAIN

THAT THE OIL AND TEMPERATURE WARNING LIGHTS/GAUGES ARE FUNCTIONING PROPERLY. YOU MUST PULL OFF THE ROAD IMMEDIATELY AND DISCONTINUE VEHICLE OPERATION WHEN EITHER OF THESE LIGHTS/GAUGES INDICATES INADEQUATE PROTECTION OR PERFORMANCE OR WHEN OVERHEATING OCCURS.

- N. SALVAGED TITLE VEHICLES; WHEN RESPONSIBILITY FOR A REPAIR IS COVERED BY AN INSURANCE POLICY; WARRANTY FROM THE MANUFACTURER INCLUDING EXTENDED DRIVE TRAIN, MAJOR COMPONENT OR FULL COVERAGE WARRANTIES; A REPAIRER'S GUARANTEE/WARRANTY; OR FAILURES FOR WHICH THE MANUFACTURER HAS ANNOUNCED ITS RESPONSIBILITY THROUGH ANY MEANS, INCLUDING RECALL CAMPAIGNS AND FACTORY SERVICE BULLETINS.
- O. IF YOUR VEHICLE IS USED FOR TOWING A TRAILER OR OTHER OBJECT OR VEHICLE WITHOUT BEING EQUIPPED WITH A FACTORY INSTALLED OR AUTHORIZED TOW PACKAGE; OR IS USED FOR COMMERCIAL PURPOSES, INCLUDING, BUT NOT LIMITED TO, RENTAL, TAXI, LIMOUSINE, LIVERY OR SHUTTLE, TOWING OR ROAD REPAIR, CONSTRUCTION, FARMING OR AGRICULTURAL PURPOSES, JOB SITE ACTIVITIES, HAULING, POLICE OR EMERGENCY SERVICES, PRINCIPAL OFF ROAD USE, RACING, COMPETITIVE DRIVING, SNOW REMOVAL, ROUTE-WORK, SERVICE OR REPAIR UNLESS COMMERCIAL USE OPTION HAS BEEN PURCHASED AND ACCEPTED BY US.
- P. ANY FAILURE OCCURRING PRIOR TO THE POLICY PURCHASE DATE, OR IF INFORMATION PROVIDED BY YOU OR A REPAIR FACILITY CANNOT BE VERIFIED AS ACCURATE OR IS FOUND TO BE DECEPTIVELY INACCURATE.
- Q. ANY FAILURE OCCURRING OUTSIDE OF THE UNITED STATES OF AMERICA OR CANADA.
- R. DAMAGE CAUSED BY PRE-IGNITION DETONATION, PINGING, IMPROPER/CONTAMINATED FUEL OR IMPROPER ENGINE ADJUSTMENTS.

NOTICE: YOU ARE REMINDED THAT THIS CONTRACT IS NOT AN INSURANCE POLICY. HOWEVER, AN INSURANCE POLICY IS IN EFFECT WITH TRISURA GUARANTEE INSURANCE COMPANY. IF WE FAIL TO PAY AN AUTHORIZED CLAIM WITHIN SIXTY (60) DAYS AFTER PROOF OF LOSS HAS BEEN FILED, YOU ARE ENTITLED TO MAKE A DIRECT CLAIM AGAINST THE INSURER, TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ON M5J 1S9, CANADA.

SPECIMEN

Administered by:
INDS Canada Corp.

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