

POWERSPORTS LOSS PROTECTION

DEALER MANUAL

Administrator

**Integrated Warranty Systems Inc.
495 Richmond Street, Suite 300
London, ON N6A 5A9**

Phone: 1.800.862.7184

Fax: 1.888.341.4888

Broker

**Encore Insurance Services Inc.
30 Duke Street West, Suite 405
Kitchener, ON N2H 3W5**

Phone: 1-866-559-6548

Fax: 1-866-232-9183

Licensing Requirements

In the provinces of Alberta and Manitoba, Guaranteed Asset Protection (GAP) is insurance. Therefore, in order for a dealer to be eligible to offer Powersports Loss Protection to its clients, the dealer must have a restricted license for this class of insurance.

Alberta

The dealership must complete and submit an **Application for Restricted Agents Certificate of Authority (Form 5-G)**. This form is available on the Alberta Insurance Council website or by clicking on the link below.

[Form 5](#)

Manitoba

The dealership must complete and submit an original **Restricted Insurance Agent (RIA) Application**. This form is available on the Insurance Council of Manitoba website or by clicking on the link below.

[Restricted Insurance Agents \(RIA\) Application](#)

NO DEALER IS PERMITTED TO OFFER POWERSPORTS LOSS PROTECTION UNTIL SUCH TIME AS THE RESTRICTED LICENCE HAS BEEN ISSUED BY THE RESPECTIVE INSURANCE COUNCIL AND TRAINING HAS BEEN COMPLETED.

Eligibility

The following types of vehicles are eligible for coverage under the Powersports Loss Protection program:

- Snowmobile
- All-terrain vehicle (ATV)
- On-road motorcycle
- Personal watercraft or boat (no more than 24 feet in length)

Covered vehicles must be:

- New or Used
- Private passenger vehicles
- The current model year, or up to a maximum of seven years older than the current model year.

Additional Eligibility Criteria:

- The Maximum Financing Contract amount is \$50,000
- The Maximum Loan to Value Ratio is 150%
- The Maximum Financing Contract Term is 96 months

Powersports Loss Protection is voluntary and is not a condition of obtaining financing.

Conditions

- The Certificate shall be effective from the Inception Date, and will only cover loss that occurs during the original Financing Contract term of a Covered Vehicle in Canada, its territories and the United States and its territories and possessions.
- If the first monthly payment is due more than forty-five (45) days after the date of the Financing Contract, for the purpose of loss settlement the Financing Contract shall be amortized as if the first monthly payment were due within forty-five (45) days.
- The insured borrower is responsible for maintaining collision and comprehensive insurance for the full value of the vehicle and any other insurance required by the Financing Contract or applicable law.
- All of the eligibility criteria of the certificate must be met.
- For the purpose of loss settlement the Financing Contract with non-uniform payments shall be amortized on a simple interest basis over the stated Financing Contract term to a zero balance using the lowest interest rate applicable at any time during the Financing Contract term and equal monthly payments.
- The insured person(s) must do all things reasonable and practical to avoid or reduce any loss under this Certificate and protect the Covered Vehicle from further loss. The insured person(s) must also take reasonable measures to ensure that the maximum amount of Actual Cash Value of a Covered Vehicle is paid by the Primary Insurer. Any loss due to the failure to protect the vehicle or maximize settlement from the Primary Insurer shall not be recoverable under this Certificate.
- The Certificate shall not be assigned, ceded or transferred.

Coverage

The amount payable under this Certificate will be the lesser of:

- The Maximum limit of liability of \$25,000 or
- If the Covered Vehicle is protected by a Primary Insurer, the amount obtained by subtracting from the Unpaid Net Balance the aggregate of: (i) the amount of the primary insurance settlement, including any amount by which the Primary Insurer's deductible exceeds the Maximum Deductible Buyback of CDN \$1,000 (ii) the value of any unrepaired prior damage to the Covered Vehicle; (iii) any amounts received from warranties or related product refunds; and (iv) the value of any retained salvage with respect to the Covered Vehicle; or
- If the Covered Vehicle is not protected by a Primary Insurer, the amount obtained by subtracting from the Unpaid Net Balance, the aggregate of (i) the Actual Cash Value of the Covered Vehicle; (ii) the value of any unrepaired prior damage to the Covered Vehicle; (iii) any amounts received from warranties or related product refunds; and (iv) the value of any retained salvage with respect to the Covered Vehicle.

In no event shall the Insurer be responsible for any amount of loss resulting from an initial Financing Contract amount in excess of the Maximum Percentage of Financing Contract Amount above Vehicle Value At Loan.

Coverage Limitations

Powersports Loss Protection does not cover losses:

- Occurring prior to the effective date of this Certificate.
- Due to war, whether or not declared, any type of invasion, civil war, insurrection, rebellion or revolution.
- Resulting directly or indirectly from any type of dishonest, fraudulent, criminal, or illegal act or arising from any intentional act committed by the insured.
- Due to or resulting from mechanical or electrical breakdown or failure.
- Resulting from the vehicle being operated, used, or maintained in any race, speed contest or other similar type of contest.
- If the Covered Vehicle was ever titled as salvage or any type of rebuilt vehicle.
- If the Covered Vehicle is used for any Commercial Purposes.
- If the Covered Vehicle is used in a manner that is not the normal operation and use of the vehicle as prescribed by the owner/operators manual.
- If the Covered Vehicle is used on ice or any frozen body of water (not limited to frozen lakes, ponds, rivers, streams) unless the loss has been covered by your Primary Insurer.
- To any trailer, special usage optional equipment, accessories and body components.
- For any amounts deducted from the Primary Insurer's settlement due to wear and tear, prior damage, unpaid insurance premiums, salvage, towing and storage and other condition adjustments.
- Attributable to other than the standard or optional equipment available from the manufacturer of the Covered Vehicle, including but not limited to: special carpeting, furniture, bars, audio, video or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used powersport value guidebooks are not excluded.
- If the insured: (1) intentionally concealed or misrepresented any material fact; (2) engaged in any fraudulent conduct; or (3) make a false statement in submitting a loss.
- Due to Unrecovered Theft unless a police report has been filed.
- Due to confiscation.
- If the loss is not reported within ninety (90) days of settlement with the Primary Insurer or, should there be no Primary Insurer, within ninety (90) days of the Date of Loss.
- Occurring after the expiration of any redemption period following the repossession or surrender of the Covered Vehicle.
- If the term of the Financing Contract exceeds 96 months.

Completing the Application and Certificate

When a client decides to purchase the Powersports Loss Protection, the dealership **must** generate a Powersports Loss Protection certificate on the website provided by Integrated Warranty Systems Inc. **Certificates generated in any other manner will not be accepted.**

All fields in the certificate are mandatory and the borrower and the dealership must both sign and date the document.

Remittance of Premium

The dealership is obligated to remit the premium and completed Applications and Certificates of Insurance to the Administrator by the 15th of the month following the sale of the product.

The remittance must include the following:

- A premium remittance statement listing all policies sold during the preceding month, and
- A cheque payable to Integrated Warranty Systems Inc. representing the total dealer cost for the previous month's sales plus applicable taxes, and
- All original signed policies sold during the previous month as well as any voided certificates.

Cancellations

The Powersports Loss Protection is an optional product and is cancellable by the client. It is the client's responsibility to notify Integrated Warranty Systems Inc., in writing, of a request to cancel the Certificate and request a return of the Certificate charges.

The Certificate may be cancelled before midnight of the fifteenth (15th) day after the inception date shown above and receive a full refund, which refund shall be directed to the Lender. If a refund is not received within 60 days of notice of cancellation, contact the Broker.

In the event of termination after the fifteenth (15th) day no refund shall be afforded.

Contract Termination

The Certificate will terminate on the date that any of the following events occur:

- the date the Financing Contract is scheduled to terminate;
- the date the Financing Contract is terminated prior to its maturity date;
- the date the Covered Vehicle is sold, assigned or transferred before the expiration date of the Financing Contract;
- the expiration of any redemption period following the repossession or surrender of the Covered Vehicle; or
- the date the Financing Contract is prepaid or the Financing Contract is refinanced.

In the event the Certificate is terminated pursuant to the expiration of any redemption period following the repossession or surrender of the Covered Vehicle, unearned premium will be determined on a pro rata basis based on the unexpired term of this Certificate and be refunded to the Lender to be credited against the insured person's loan.

Making a Claim

In the event of a claim, the claimant must report the loss to Integrated Warranty Systems Inc. within ninety (90) days of the primary insurer's settlement or, if there is no primary insurer, within ninety (90) days of the date of loss.

For each loss the claimant must provide the following and any other additional information Integrated Warranty Systems Inc. may request::

- verification of the primary insurance deductible and Date of Loss;
- a copy of the primary insurance settlement worksheet and a copy of the payment or cheque made to the claimant;
- verification of any other insurance or any other type of recoverables (including sale of salvage);
- verification of any other refundable amounts;
- a copy of the police report, in the case of an Unrecovered Theft; and
- copy of the Financing Contract including name and address, account number, amount borrowed,
- interest rate, payment amount, Financing Contract history and calculation of Unpaid Net Balance amount;
- a copy of the Certificate.

Claims must be submitted to:

Integrated Warranty Systems Inc.
495 Richmond St, Suite 300
London, ON N6A 5A9
or by telephone toll free (800) 862-7184.