



Vehicle Loss Program (BC)

SELLING DEALER GUIDE

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Contact Us

Consumer and Dealer Website: www.securedrive.ca

Each selling dealer will have a unique login profile to the LGM HUB to gain access to dealer-only materials such as Sales Tools.

Claims & Dealer Support:

Phone: 1-866-287-6200

Fax: 1-866-287-6201

Email: claims@lgm.ca

Hours: For details about our call center opening hours, please visit our contact page at www.lgm.ca/contact

Sales & Customer Service:

Phone: 1-800-510-8372

Fax: 1-800-510-7605

Email: service@lgm.ca

Hours: For details about our call center opening hours, please visit our contact page at www.lgm.ca/contact

Accounts Receivable:

Email: ar@lgm.ca

What is Vehicle Loss Program?

SecureDrive Vehicle Loss Program (VLP) for BC is an insurance product that provides assistance for your customer in the event of a vehicle loss. Whether your customer is purchasing through finance, lease or cash, there is a way to tailor a solution for them.

All VLP coverage options provide your customer with an in-store credit, **to a maximum of \$15,000**, at the original selling dealership to ensure customer retention.

In the event of a total loss, Negative Equity, Total Loss, and Theft Event coverages will assist your customer when replacing their vehicle. In the event of a damage declaration on your customer's vehicle, the Partial Loss Event coverage can assist with the accelerated depreciation at the time of vehicle trade-in or for another purchase or lease.

VLP is designed to be offered on your entire vehicle inventory to enhance the customer's vehicle ownership experience and increase your dealership's customer retention, thereby generating further revenue opportunities.

Coverage Options

Negative Equity Coverage

If the customer's vehicle is stolen or damaged and declared a total loss, as of the date of the incident, they will be eligible to receive an in-store credit towards a replacement vehicle in an amount equal to the deficit between their insurer settlement payout and the remaining loan balance. The credit payout excludes any termination fees, late or deferred payment and charges, finance charges accrued after the Total Loss or Theft and refundable portions of any cancelable add-ons such as service contracts, credit life/disability insurance or maintenance agreements and rental expenses, all of which are the customer's responsibility.

Total Loss Event Coverage

If the customer's vehicle is stolen or damaged and declared a total loss, they will be eligible to receive an in-store credit towards a replacement vehicle purchase.

Theft Event Coverage

If the customer's vehicle is stolen and not recovered, they will be eligible to receive an in-store credit towards a replacement vehicle purchase.

Partial Loss Event Coverage

If the customer's vehicle is damaged and repaired, resulting in a damage record on their vehicle's history report (i.e CarProof), they will be eligible to receive an in-store credit at the time they purchase a replacement vehicle.

For further VLP coverage details please refer to the **Schedule of Coverages** section of the Customer Agreement attached below.

****Total coverage amount is to a maximum of \$15000 across all plans****

In-Store Credit Options

In many instances, customers may choose an in-store credit value to suit their needs. The following options apply based on vehicle value, subject to a combined maximum of \$15,000.

Coverage	Vehicle Value	In-store Credit
Negative Equity Coverage	Loan Value up to \$150,000	Deficit between the insurer payout and the remaining loan balance
Total Loss Event Coverage	Up to \$20,000	\$5,000
	\$20,001-\$40,000	\$5,000 or \$7,500
	\$40,001+	\$5,000, \$7,500 or \$10,000
Theft Event Coverage	Up to \$20,000	\$5,000
	\$20,001-\$40,000	\$5,000 or \$7,500
	\$40,001+	\$5,000, \$7,500 or \$10,000
Partial Loss Event Coverage	Up to \$20,000	\$2,500
	\$20,001-\$40,000	\$2,500, \$3,750
	\$40,001+	\$2,500, \$3,750 or \$5,000

*The loan amortization (months) must match the contract term (months).

Exclusions

Some exclusions apply to VLP. For a detailed list, please refer to the **Program Exclusions** section of the Customer Agreement.

Transfers

VLP Agreements are **not transferable** by the original purchaser to any subsequent owner of the vehicle.

Bundled Pricing

Discounted pricing is available when the Negative Equity Coverage is purchased in conjunction with the Partial or Total Loss Event Coverages. Simply select the desired products together when preparing a quote.

Program Eligibility – Enrolment and Terms

VLP must be purchased within seven days of the delivery date of the vehicle. Terms are available for all makes and models within 10 model years.

Enabling the Product

The process before VLP will be enabled for sale in your dealership is:

1. Apply for (and maintain) and get approval of a Restricted General Insurance License through the Insurance Council of BC
2. Product and Compliance training must be completed by all sales representatives before being granted access to sell this product

Refer to Appendix for a checklist of the steps to get licensed and have the product enabled.

Training

Training for VLP must be completed before it can be sold by dealer employees. This includes:

- All dealership employees who will be selling the product must complete the VLP training course available on the Learning Management System (LMS). Employees can be signed up for the course by LGM Dealer Development Managers.
- Dealership employees may be provided training by LGM Dealer Development Managers. This training is in addition to the LMS course which also must be completed.
- To ensure that employees remain up to date on their knowledge of VLP and sales processes, the VLP course must be completed yearly. This will count towards the CE requirements of your restricted licence.

Sales Process

Once your license is approved and the product enabled, you are now able to sell VLP. The process to follow is:

- When discussing the product with potential customers, you must ensure consumers have a clear understanding of their right to decline any insurance coverage. Dealerships will be required to provide consumers with a disclosure document (see example in Appendix 2), separate from any other vehicle sales transaction document provided, that outlines in clear and concise language:
 - a) That the purchase of the insurance coverage is optional and can be declined by the consumer; and
 - b) The premium (as set by the underwriting insurer) and, separately, an itemized list of fees charged by the Dealership which includes the amount of each fee and a description.
- The disclosure document must be presented to the customer prior to the purchase of any insurance and the customer must sign and date the document, acknowledging that he or she has read it and understands its content.
- A copy of the signed documents must be maintained by the Dealership as part of its record-keeping responsibilities.
- LGM may, from time to time, request to review customer deal jackets to ensure compliance of the foregoing process. The Dealership will provide access to LGM upon reasonable notice.

The disclosure document will print along with the contract from the HUB. It must be completed and then signed by the customer.

Eligibility – Vehicle Purchase Type and Third Party Coverage

Some coverage and in-store credit restrictions apply for cash and lease vehicles and vehicles equipped with some third-party products. The following third-party products may affect eligibility:

Third-Party GAP Products: If the customer has coverage to receive a benefit the same as, or substantially similar to the Negative Equity Coverage under the terms of their insurance policy, or another third-party program.

Third-Party Replacement Vehicle Product: The customer has coverage to receive a present day equivalent replacement vehicle in the event of a loss under the terms of their insurance policy or another third-party program.

The following table outlines any coverage and in-store credit restrictions:

#	Vehicle Purchase Type	Third Party GAP	Third Party Replacement	Coverages Available
1	Cash	No	No	Total Loss (all options), Partial Loss (all options) and Theft (all options)
2	Cash	Yes	No	INVALID SCENARIO as there cannot be a loan on a Cash vehicle purchase.
3	Cash	No	Yes	Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only)
4	Cash	Yes	Yes	INVALID SCENARIO as there cannot be a loan on a Cash vehicle purchase.
5	Financed	No	No	Negative Equity, Total Loss (all options), Partial Loss (all options) and Theft (all options). <i>If Negative Equity is selected, Total Loss and Theft options are limited to \$5,000.</i>
6	Financed	Yes	No	Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only)
7	Financed	No	Yes	Negative Equity, Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only) <i>If Negative Equity is selected, only Partial Loss is available as an upgrade.</i>
8	Financed	Yes	Yes	All Partial Loss Event Coverage (all options)

#	Vehicle Purchase Type	Third Party GAP	Third Party Replacement	Coverages Available
9	Lease	No	No	INVALID SCENARIO as all Lease Agreements offer GAP protection
10	Lease	Yes	No	Total Loss all options), Partial Loss (all options) and Theft (all options)
11	Lease	No	Yes	INVALID SCENARIO as all Lease Agreements offer GAP protection
12	Lease	Yes	Yes	Total Loss (\$5,000 option only), Partial Loss (all options) and Theft (\$5,000 option only)

Invoice Payment

VLP Agreements are sold exclusively via an online sales portal which can be accessed at www.lgmhub.ca. Your dealership is required, on the last day of the month, to report all valid business for invoicing to the Administrator via the LGM HUB or the Administrator will generate them on your dealership's behalf. The Administrator shall prescribe the method and form of invoicing.

Payment is required by your dealership to the Administrator no later than the tenth business day of the following month or as per Provincial Regulations. Invoices sent to your dealership about amendments & cancellations must be paid immediately upon receipt. Payment submitted later than this date may result in claim service delays to your customers.

Your dealership can make payment through the LGM HUB via electronic funds transfer, credit card submission or with a cheque made payable to LGM Financial Services Inc. and mailed to the Administrator. Any cheques not made payable to LGM Financial Services Inc. will be returned to your dealership.

When paying with a cheque, please ensure that you attach the following:

- Cheque made payable to LGM Financial Services Inc.; and
- Attach invoices generated by the online sales portal through the LGM HUB (including amendment & cancellation invoices).

Please remit to:

LGM Financial Services Inc.
#142 - 757 West Hastings Street
Vancouver, BC V6C 1A1

Or

LGM Financial Services Inc.
1111 Dr. Frederik-Philips Blvd., Suite 450
St. Laurent, QC H4M 2X6

When calculating remittances, please note that tax is not collected on insurance products

Indigenous Customers

Please note that tax regulations about sales of SecureDrive products to Indigenous customers with Native Status must be observed by your dealership. It is important that your dealership maintains records of such transactions, including the retention of copies of Native Status Cards, in the event a taxation audit requires this information to be produced.

Please note that your dealership is to retain a customer signed copy of each agreement sold. It is the responsibility of the dealer to promptly provide the Administrator a copy of the signed agreement upon request.

Cancellations

VLP coverages may be canceled by the original agreement holder within the first 30 days from the enrollment date for a full refund. The customer may cancel their agreement after 30 days with a pro-rata refund being calculated.

The Dealer will be required to contribute towards cancellation refunds in the event the Lienholder requests VLP agreement cancellation due to vehicle repossession or total loss. When a cancellation request is received from a lienholder, it will stay in a pending status for 60 days as the customer or dealership can request to use a coverage during this time. After the 60th day, we will put the cancellation request into the process.

To initiate a cancellation request, the original agreement holder must make their request to their Selling Dealer in writing along with their signature. The Administrator requires the following details to process an agreement cancellation request:

- Dealer name;
- Odometer reading on vehicle at time of cancellation request;
- Date of cancellation request;
- Year and model name of vehicle;
- Policy number;
- Vehicle Identification Number;
- Name of agreement holder; and
- Name of agreement person at the dealership.

A cancellation request form is available via an online sales portal which can be accessed at www.lgmhub.ca. The customer is required to obtain a cancellation request form from the Selling Dealer then forward the completed form to the Administrator.

For any cancellation requests initiated by the agreement holder within 30 days of the agreement purchase date, the agreement holder will be refunded the entire amount of the agreement purchase price, less any coverages authorized or credited (except where prohibited by law).

The Administrator may cancel the agreement for non-payment of the membership fee, for intentional misrepresentation in obtaining the agreement or for intentional misrepresentation in the submission of a request for coverages. If the agreement is canceled by the Administrator within 30 days from the enrollment date, the agreement holder will be entitled to a refund for the amount paid for the agreement less the amount of any coverages authorized or paid under the agreement.

If the Administrator cancels the agreement after 30 days from the enrollment date, a prorated amount of the agreement purchase price shall be refunded, less any coverages authorized or paid. The pro-rated refund will be calculated based on the expired portion of the agreement by time and based upon the term selected, and the date agreement begins, less a \$100 cancellation fee (plus applicable taxes) and less the amount of any coverages authorized or paid under the agreement (except where prohibited by law).

E-Contracting

VLP Agreements are sold exclusively via a secure online sales portal which can be accessed at www.lgmhub.ca

To get started with e-contracting, please contact LGM at 1.800.510.8372, and they will provide you with access. E-contracting provides you with these valuable benefits:

- No need to complete pre-printed forms
- Easy to use and quick to complete
- Guaranteed accuracy of rates and coverages
- Track results electronically
- Complete monthly remittance automatically
- Professional documents for your customer
- Instant confirmation of purchase
- VIN decoding makes processing faster (auto-population)

Please note that your dealership is to retain a customer-signed copy of each agreement sold. It is the responsibility of the Dealer to promptly provide the Administrator a copy of the signed agreement upon request.

Preparing and Printing Quotes

The VLP Program found on the Hub enables dealers to prepare quotes for eligible vehicles to their customers. This easy-to-use program also allows you to print out a quote for eligible new and pre-owned vehicles, complete with the dealership name and the Finance Manager's contact information.

Waiver Information

A waiver form is provided as a suggested selling tool in the business office.

The use of the waiver form is a suggestion only, and it is recommended that your dealership seeks independent legal advice before adopting any waiver form in your dealership.

It is recommended that the waiver form is used extensively or not at all in your dealership since dealers may face liability issues if the waiver form is only used by select customers rather than for all customers that decline any or all of the VLP. When used appropriately, this waiver form will add further credibility to your sales presentation in the business office. This waiver reminds the customer they have been given the option to purchase VLP and that they have chosen to decline coverage. When properly applied, this waiver form may alter the customer's buying decision. It will also serve as a valuable reference in your deal jacket in the event there is ever contestability about offering VLP to your customers.

The waiver form is accessible via Sales Tools at lgmhub.ca. Upon completion of a customer quote, the selling Dealer has the option of printing a waiver form.

Making a Request for Coverages

If a theft, total loss or partial loss occurs under the VLP Agreement, the customer must take the following steps to request access to available program coverages:

- (a) **File a report with the insurer:** The customer must file a report of the Theft, Total Loss or Partial Loss with their primary vehicle insurer, within the notice period required by their insurer.
- (b) **Contact the administrator:** The customer or dealer must report to the administrator the Theft or Total Loss of the vehicle within 60 days. For partial loss occurrences, the customer or dealer must report such to the administrator no later than 60 days following the expiration of the Agreement. The administrator must be provided a copy of the insurance claim against their primary insurer, and depending on the coverage being requested, may also be required to provide:
 - (i) Proof of ownership and the bill of sale for the replacement vehicle;
 - (ii) A copy of your settlement with the insurer showing all additions and deductions for the settlement amount;
 - (iii) A copy of the police report, if required by the insurer;
 - (iv) Proof of payment from the vehicle insurer confirming that it has settled and paid for the theft or total loss;
 - (v) A copy of the insurance policy's declaration page, listing the coverage, deductible and agent's phone number; and
 - (vi) Where the customer is seeking Negative Equity Coverage: The balance remaining on the vehicle loan after a payout from the vehicle insurer has been made, as calculated by the Lienholder as of the date of Total Loss.
 - (vii) A copy of our proof of loss document outlining how the loss occurred.

How the Selling Dealer Receives Payment

For any in-store credit for which the customer is entitled under the program, which has been pre-approved by the Administrator, the Selling Dealer will be required to provide the Administrator a copy of the new bill of sale, signed by the customer, showing the details of the replacement vehicle purchase and the coverage amount being applied towards the purchase of the replacement vehicle. Upon receipt of a satisfactory bill of sale, by fax or emailed PDF, the Administrator will pay the Selling Dealer the in-store credit amount that has been approved by the Administrator and applied to the purchase of a replacement vehicle from the Selling Dealer.

No Interest Deferred Payment Plan

VLP is eligible for financing with the LGM No Interest Deferred Payment Plan (excluding Theft Event only plans). For complete program details, please refer to the "No Interest Deferred Payment Plan FAQ's" available in the Sales Tools area of the LGM HUB.

Customer Agreement

A copy of the full Customer Agreement can be downloaded from the HUB for reference only. For the purpose of administering claims, please refer to your customer's actual Agreement.

Appendix 1 - SecureDrive: Licencing Checklist (Dealerships)

Step 1: Apply for a Letter of Authorization by doing the following things:

- a) Completing a dealer agreement (if one is not on file).
- b) Completing your background check at <https://www.sterlingbackcheck.ca/about/contact-us/>. Please note: it will cost \$59 to complete a background check.
- c) Completing the Sponsorship form. (Attachment: SGIC Sponsorship Application - VEHICLE DEALER LIC - v.1 7-Jan-2021)

All documents should be completed and sent to vlplicense@lgm.ca.

Step 2: Complete *Restricted Motor Vehicle Dealership Application*.

- a) Confirm you have errors & omissions coverage.
- b) Make sure your application is signed by an officer/director/partner as well as the nominee.
 - Your nominee must also hold or apply for a license with the Insurance Council of BC.
 - Confirm Section 2 - Definition of MGA: Council defines an MGA as a licensed life insurance agent that is directly contracted with an insurer to facilitate insurance transactions between life agents and insurers. Your answer to this question will be "NO".

Step 3: Complete the required reading council notice: ICN 12-006 Granting Restricted General Insurance Licences to Motor Vehicle Dealers (Attachment: Required Reading -Granting Restricted General Insurance Licences to Dealerships Oct-2012).

Step 4: Attach the following to your application:

- a) Letter from LGM describing the product(s) you will be selling (Attachment: Vehicle Loss Program Description - Dealership License Application)
- b) Letter of Authorization / Evidence of representation from Insurance Company (to be provided by your DDM)
- c) Directors form completed for all partners, directors and controlling shareholders (Section 5) (Attachment: Director Form (Dealership))
- d) Description of business (Section 7(c)) (Attachment: Section 7c - Business Activities - Dealership License Application)

Step 5: Submit your application to the licensing@insurancecouncilofbc.com. Note that the application fee is \$225. Payment is required after the fee is assessed to your Insurance Council account.

Step 6: Wait for approval.

- a) Once the license is approved, the Insurance Council of BC website will notify you by email. Please forward a copy of this email to your local dealer development manager (DDM) and they will have the new product enabled for sale in the LGM HUB. The DDM will notify you as soon as it is available for sale.

Appendix 2 – Customer Declaration Form

You are about to purchase optional insurance coverage for a motor vehicle. Before finalizing your decision, please note:

- You are not required to purchase this insurance coverage, and
- You are not subject to any penalty or additional fees if you choose not to purchase this insurance coverage.

Should you choose to purchase this insurance, make sure any questions you have about the product are answered to your satisfaction. In advance of purchasing the insurance, you must also be provided with clear and concise written disclosure of all coverages and exclusions of the insurance product, including cancellation provisions. These materials must tell you what coverage you have purchased and what your responsibilities are if you need to make a claim.

Product Cost

Insurance Premium:	\$	_____
Motor Vehicle Dealer	\$	_____
Fee:		
Description: _____	\$	_____
Description: _____	\$	_____
Description: _____	\$	_____
Description: _____	\$	_____
Your Total	\$	_____

- I have read and understand the information in this document.
- I understand that I am not required to purchase this optional insurance coverage.

Consumer Name (Print Clearly)

Signature

Date

Dealer Representative Name

Legal Name of Dealership

SecureDrive Vehicle Loss Program Policy

This Policy contains a clause which may limit the amount payable

1. What are the terms and conditions of Your Vehicle Loss Policy?

This Policy is entered into between You and Us on the Policy Purchase Date and contains the terms and conditions by which We shall provide Coverage. You acknowledge that Your purchase of this Policy is voluntary, that all information listed on the Registration Page is accurate and that You have read and understood all terms and conditions of this Policy. By signing the Registration Page, You accept all terms and conditions of this Policy.

2. Your informed participation matters to Us

Your informed purchase of this Policy matters to Us. By voluntarily signing this Policy, You acknowledge that You are not required to purchase this Policy to obtain financing for Your Vehicle and that this Policy is not intended to be a substitute for Automobile Insurance. This Policy may only be purchased in the Province of British Columbia from a duly licensed automotive dealership when the Policy is sold incidental to the purchase of Your Vehicle. This Policy may not make up the entire difference between what You owe on a vehicle and its actual cash value if the vehicle is declared a Total Loss.

3. Are You eligible to purchase this Policy?

You are only eligible to purchase this Policy:

- a. if You are a resident of British Columbia at the time of purchase and a resident of Canada during the term of this Policy; and
- b. if, on the Policy Purchase Date, Your Loan Amount is less than or equal to the Maximum Loan Amount.

4. What does this Policy include?

In the event of a Total Loss, Partial Loss or Theft Loss during the term of this Policy You may claim Coverage from Us by following the process in Schedule "D" and We will provide eligible Coverage as a Credit with Your Issuing Dealer, all in accordance with the terms and conditions of this Policy.

Please read the definition of "Credit" in Schedule "C" carefully so You understand how the Credit is calculated. You may apply any Credit that You receive towards the purchase of a Replacement Vehicle within sixty (60) days of Your Coverage being approved by the Administrator. **Credits cannot be transferred, applied to any loan or redeemed for cash.**

5. How long do You have to file a claim?

You have a limited timeframe within which to claim for Coverage. **You must report the Theft Loss, Total Loss or Partial Loss to the Administrator within sixty (60) days of the occurrence.**

6. What is excluded under this Policy?

There are certain reasonable limits on the Coverage You may redeem under this Policy. **Please read Schedule "B" carefully** as You will not be eligible to redeem Coverage in those specific circumstances.

7. How can Your Policy be cancelled?

- a. You may only cancel this Policy within thirty (30) days of the Policy Purchase Date by submitting to the Administrator a cancellation request form. If Your cancellation request is received within this timeframe, We will refund You the original Policy Premium paid after deducting any Coverage for which You benefited.
- b. We may cancel this Policy if You fail to pay any portion of the Policy Premium, if You fail to meet any of the eligibility criteria, for misrepresentation or for fraud. If We elect to cancel this Policy, We will refund to You the Policy Premium using the pro rata method after deducting: (i) the Administration Fee; (ii) any Coverage for which You benefited; and (iii) any outstanding balance You may owe for the Policy Premium pursuant to a deferred payment plan, if applicable.
- c. The Lienholder (if the Lienholder advanced You money for the purchase of this Policy) or any other third party that advanced You money for the payment of the Policy Premium under this Policy, may cancel Your Policy at any time due to Your Vehicle being repossessed. If required, We will refund to the Lienholder the Policy Premium using: (i) the pro rata method after deducting the Administration Fee and any Coverage for which You benefited; or (ii) the formula required by any applicable agreement with the Lienholder.

8. Your Consent for Us to contact You and use Your personal Information

- a. By entering into this Policy, You consent to Us, or Our appointed Administrator, contacting You and using Your personal information to administer this Policy and for the other purposes, all as set out below: determining Your eligibility for Coverage, assessing Your application for Coverage, registering Your Policy, administering Your Policy, processing Your claims for Coverage, investigating any complaints that You may submit to Us or the Administrator, responding to Your communications with Us, detecting and preventing fraud, complying with Our legal obligations to regulatory bodies and enforcing Our legal rights.
- b. Our collection, use and disclosure of Your personal information for any additional purpose for which You have given Us Your express opt-in consent and provided that You have not withdrawn such consent.
- c. Our disclosure of Your personal information to the Administrator, the Lienholder, and Our other relevant third party service providers of Ours or of the Administrator, both within and outside of Canada, only for the purposes outlined above in sections (a) and (b) and then only as is strictly necessary. Your personal information may also be disclosed to those duly authorized under the laws of Canada and applicable foreign jurisdictions.

Further, You agree that in order to communicate effectively with You, We may contact You using contact details that You have provided to Us, including Your email address and Your mobile phone number or other contact details. You expressly authorize Us to use Your personal information in accordance with this Policy, including sending You transactional electronic communications about this Policy.

If You do not wish to provide personal information to Us or to the Administrator, We will not be able to enter You into this Policy or may not be able to provide You with Coverage under Your Policy.

If You have questions about our use of Your personal information, please contact privacyofficer@lgm.ca or visit www.lgm.ca/privacy-policy.

9. Policy commencement and expiry

This Policy commences on the Policy Purchase Date and expires on the Policy Expiry Date as shown on the Registration Page.

10. What else do You need to know?

Maximum Liability	Notwithstanding anything to the contrary and to the maximum extent permitted by applicable law, Our maximum liability in connection with this Policy is the aggregate amount of Coverage that You are entitled to in accordance with this Policy; <ul style="list-style-type: none">i. in no event will We be liable for any property damage, personal injury or death in connection with Your Vehicle;ii. in no event will We be liable for any negligence or willful misconduct on Your part; andiii. in no event will We be liable for any loss of use, loss of data, loss of profits, indirect, incidental, punitive or other consequential damages whatsoever. The maximum Credits payable for any and all Coverage during the term of this Policy shall in no event exceed \$15,000 across all plans, inclusive of any applicable taxes or fees.
Governing Law	This Policy will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to its conflict of laws principles. If these Provincial laws are inconsistent with any of the terms or conditions of this Policy, such laws will govern and We will comply with such laws.
Miscellaneous	All amounts referred to in this Policy are in Canadian dollars. Capitalized terms used in this Policy are given such meanings as defined in Schedule "C".
Insurance Claims	You appoint and constitute the Administrator as Your true and lawful attorney, from time to time, and at the Administrator's sole discretion, with full power of substitution, and with full power and authority to, on Your behalf, make or pursue any insurance claim against the applicable insurer of any damage or loss to Your Vehicle and to settle or resolve any claim on Your behalf and execute and deliver any documents necessary, advisable or ancillary to obtain the purposes described above. In the settlement of any loss, You authorize the Administrator to complete on Your behalf any document required by the insurer.

Entire Policy	This Policy constitutes the entire agreement with respect to Your Coverage and supersedes any prior understandings or agreements between the parties. The terms and conditions of this Policy may not be amended or waived unless agreed in writing by the parties.

Schedule "A"

Schedule of Coverage options	
Theft Loss Coverage	<p>In the event of a Theft, You may file a claim for Theft Loss Coverage in the amount listed on the Registration Page which shall be issued as a Credit with Your Issuing Dealer.</p> <p>Our limit of liability for Theft Loss Coverage shall in no event exceed the lesser of either (a) the actual cash value of Your Vehicle, as determined by the insurer payout or (b) the aggregate Coverage amount outlined on the Registration Page or (c) \$15,000.</p> <p>Your claim for Coverage must be made before the Policy Expiry Date and within sixty (60) days of the Theft.</p>
Total and Partial Loss Coverage	<p>In the event of a Total Loss, You may file a claim for Total Loss Coverage in the amount listed on the Registration Page which shall be issued as a Credit with Your Issuing Dealer.</p> <p>In the event of a Partial Loss, You may file a claim for Partial Loss Coverage in the amount listed on the Registration Page which shall be issued as a Credit with Your Issuing Dealer.</p> <p>Our limit of liability for Total Loss Coverage or Partial Loss Coverage shall in no event exceed the lesser of either (a) the actual cash value of Your Vehicle, as determined by the insurer payout or (b) the Coverage amount outlined on the Registration Page or (c) \$15,000.</p> <p>Your claim for Coverage must be made before the Policy Expiry Date and within sixty (60) days of the Total Loss or Partial Loss.</p>
Negative Equity Coverage	<p>(a) Subject to the Maximum Liability, if Negative Equity Coverage is selected, and in the event of a Total Loss, You may file a claim for Negative Equity Coverage to be issued as a Credit with Your Issuing Dealer based on the Purchase Price for Your Vehicle on the Policy Purchase Date.</p> <p>Your claim for Coverage must be made before the Policy Expiry Date, before Your Loan Amount has been discharged in full, and within sixty (60) days of the Total Loss.</p> <p>(b) Please be aware that we will not issue a Credit for more than You owe Your Lienholder under the Lienholder Agreement (after claims have been paid under any insurance). If the Deficiency Balance You owe Your Lienholder is less than the Negative Equity Coverage listed above, then You will only be entitled to a Credit for the Deficiency Balance.</p>

Schedule "B"

When will You not be eligible for Coverage?

- a. If You fail to meet any of the eligibility criteria listed in this Policy.
- b. If a Theft, Total Loss or Partial Loss occurred:
 - i. before the Policy Purchase Date or
 - ii. after the Policy Expiry Date;
 - iii. after You are denied partial or full coverage pursuant to the Automobile Insurance or an applicable insurance policy;
 - iv. during any time period when You had failed to pay any portion of the Policy Premium, whether directly or indirectly pursuant to a deferred payment plan;
 - v. due to freezing, electrical failure or mechanical failure of Your Vehicle;
 - vi. due to acts of war, riot or terrorism, as determined by the Administrator acting reasonably; and
 - vii. due to Your willful, criminal or fraudulent acts or omissions.
- c. If You failed to take reasonable steps to locate, recover and/or minimize damage to Your Vehicle.
- d. If, after receiving a Partial Loss Coverage, You claim a second or subsequent Partial Loss Coverage.
- e. If Your Vehicle has a salvage title, is lawfully repossessed or confiscated, or is used for Heavy Commercial Use or racing purposes, as determined by the Administrator acting reasonably.
- f. If We become aware of any misrepresentation or fraud in connection with this Policy.
- g. If any previously claimed privileges in aggregate have reached the Maximum Liability for this Policy.
- h. If You fail to maintain the Automobile Insurance for Your Vehicle, during the term of this Policy.

Schedule "C"

What do the capitalized terms mean?			
Administration Fee	A \$100 administration fee, unless such fee is prohibited by applicable law.		
Administrator	LGM Financial Services Inc., its successors or permitted assigns, which is not a party to this Policy and which is a third party administrator of this Policy on Our behalf.		
Automobile Insurance	An automobile insurance policy issued by an insurance company that is duly licensed to conduct business in the Canadian province or territory where Your Vehicle is primarily used, which continuously throughout the Term provides compulsory automobile, collision and comprehensive insurance coverage for Your Vehicle.		
Coverage	Certain coverages, as selected on the Registration Page and as more particularly described in Schedule "A", that You may be eligible to claim in accordance with this Policy.		
Credit	An Issuing Dealer credit issued and calculated by the Administrator, on Our behalf, by taking the Coverage purchased from Schedule "A" (and as selected on the Registration Page) and deducting the Excluded Amounts. We will apply the credit to the bill of sale for Your Replacement Vehicle.		
Deficiency Balance	Is the amount by which Your Loan Amount exceeds the Vehicle Value, on the date of a Total Loss.		
Excluded Amounts	Excluded Amounts include the following amounts: (a) termination fees in accordance with the Lienholder Agreement; (b) financing fees accrued after the Theft Loss, Total Loss or Partial Loss occurred, such as late/deferred payment charges, penalties and interest; (c) refunds available for cancellable ancillary purchases, such as vehicle service/maintenance contracts and rental expenses; (d) applicable taxes; (e) applicable discounts, including discounts offered by Us or an original equipment manufacturer; (f) residual/balloon payments owed for prior vehicles under the Lienholder Agreement; and (g) amounts You may owe pursuant to a deferred payment plan, including one with the Administrator, if applicable.		
Heavy Commercial Use	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <ol style="list-style-type: none"> 1. Rental 2. Police or emergency use 3. Road repair operations 4. Hauling 5. Driving school 6. Route work 7. Vehicles used primarily off-road </td> <td style="vertical-align: top;"> <ol style="list-style-type: none"> 8. Taxi or fleet vehicles 9. Job site activity 10. Courier or delivery 11. Snow removal 12. Construction 13. Limousine or shuttle 14. Moving services </td> </tr> </table>	<ol style="list-style-type: none"> 1. Rental 2. Police or emergency use 3. Road repair operations 4. Hauling 5. Driving school 6. Route work 7. Vehicles used primarily off-road 	<ol style="list-style-type: none"> 8. Taxi or fleet vehicles 9. Job site activity 10. Courier or delivery 11. Snow removal 12. Construction 13. Limousine or shuttle 14. Moving services
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Issuing Dealer	The licensed automobile dealer who issued You this Policy on Our behalf and as shown on the Registration Page.		
Lienholder	Any person that loaned money to You to lease or purchase Your Vehicle.		
Lienholder Agreement	The agreement You entered into with the Lienholder on or before the Policy Purchase Date, which sets forth the terms and conditions on which You have been loaned money to lease or purchase Your Vehicle and which has not been amended, extended or restructured.		
Loan Amount	The amount You owe the Lienholder pursuant to the Lienholder Agreement, which for greater certainty excludes the Excluded Amounts.		
Maximum Liability	\$15,000 being Our maximum aggregate limit of liability that will be covered under the Policy.		
Partial Loss	Loss or damage to Your Vehicle for which (a) You are insured under the Automobile Insurance, (b) the applicable insurer has paid Your claim, and (c) an accident declaration has been filed or registered for Your Vehicle with the applicable governmental authority as required by applicable law in the jurisdiction in which You have purchased the Automobile Insurance. For clarity, Partial Loss shall not include Total Loss.		
Policy	This vehicle loss agreement entered into between You and Us governing Your Coverage for Your Vehicle and includes the Registration Page and all attached schedules.		
Policy Expiry Date	The date, as listed on the Registration Page, on which this Policy will expire or any earlier date on which You redeem all applicable Coverage.		
Policy Premium	The amount You agreed to pay Us, as listed on the Registration Page plus applicable taxes, for the purchase of this Policy.		

Policy Purchase Date	The date listed on the Registration Page that You purchased this Policy.
Registration Page	The first page of this Policy listing certain details related to You, Your Vehicle, Your Issuing Dealer and Your Coverage.
Replacement Vehicle	A new or pre-owned vehicle that is available through Your Issuing Dealer, which has a minimum retail selling price advertised (after deducting applicable taxes and discounts) that is equal to or greater than the Credit.
Theft Loss	Your Vehicle has been declared by Your Automobile Insurance provider to have been stolen and unrecovered for at least thirty (30) days from the date of the theft, and You have been fully indemnified for such theft under the Automobile Insurance.
Total Loss	Your Vehicle has been declared a permanent and total loss by Your Automobile Insurance provider due to an insured peril and You have been fully indemnified for such total loss under the Automobile Insurance.
Vehicle	The vehicle, listed on the Registration Page, that You leased or purchased from the Issuing Dealer and which does not have a salvage title.
Vehicle Purchase Price	The price You paid for Your Vehicle as listed on the bill of sale issued to You by the Issuing Dealer, plus any applicable taxes, and which may be verified for reasonableness by the Administrator against comparable vehicles in the market. The retail price will be calculated by deducting the following amounts: (a) costs for additional options not originally provided by the OEM for Your Vehicle, aftermarket parts or accessories installed in Your Vehicle, such as custom paint, aftermarket kits and navigation systems; (b) delivery costs; and (c) any applicable discounts.
Vehicle Value	The aggregate financial amount received by You from Your Automobile Insurance provider for Your Vehicle as a direct result of the Theft Loss or Total Loss event.
We, Us, Our	Means The Sovereign General Insurance Company. You may reach Us 1-800-661-1652.
You, Your	The person, listed on the Registration Page, who purchased this Policy.

Schedule "D"

Steps to filing a claim for Credit

You must report the Theft Loss, Total Loss or Partial Loss to the Administrator within sixty (60) days of the occurrence.

Call toll-free **1-866-287-6200** and provide the following documents:

- iv. original bill of sale for Your Vehicle;
- v. registration for Your Vehicle;
- vi. Lienholder Agreement for Your Vehicle;
- vii. Automobile Insurance policy(ies) for Your Vehicle – You will need to separately contact Your insurer(s) to make any claim(s);
- viii. proof of loss, settlement and calculations from Your Automobile Insurer for the Theft Loss, Total Loss or Partial Loss to Your Vehicle;
- ix. if Negative Equity Coverage is selected, the outstanding loan balance at the time of Theft Loss, Total Loss or Partial Loss and proof of any refunds for cancellable ancillary purchases;
- x. if Theft Coverage is selected, the police report You filed related to the Theft Loss – You will need to separately contact the police to create a police report; and
- xi. any other relevant details reasonably requested by the Administrator.

STATUTORY CONDITIONS

The following terms and conditions apply to this Policy:

Misrepresentation

1. 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.

Property of others

2. 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.

Change of interest

3. 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.

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) 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.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) 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.
- (4) 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.

Termination of insurance

5. (1) The contract may be terminated
 - (a) 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
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) 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
 - (b) 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.
- (3) 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.
- (4) 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.

Requirements after loss

6. (1) 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,
 - (a) immediately give notice in writing to the insurer,
 - (b) 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,
 - (i) 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,
 - (ii) 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,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) 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,

- (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
- (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) 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.

Fraud

7. 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.

Who may give notice and proof

8. 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.

Salvage

9. (1) 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.
- (2) 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.

Entry, control, abandonment

10. 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.

In case of disagreement

11. (1) 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.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

12. 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.

Repair or replacement

13. (1) 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.
- (2) 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.

Notice

14. (1) 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.
- (2) 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.