

# CERTIFICATE OF INSURANCE

## First North American Insurance Company (FNAIC) is a wholly owned subsidiary of Manulife Financial.

President's Choice Bank  
President's Choice Financial® MasterCard® Cardholders:  
Group Master Policies Number: GC991  
Effective Date: May 1, 2007

This Certificate of Insurance contains information about your insurance. Read it carefully and keep it in a safe place.

Please refer to the definitions section for the meanings of all capitalized terms. This Certificate describes coverage under non-participating Group Master Policies issued to President's Choice Bank (herein called the "Policyholder"). Purchase Assurance Benefits and Extended Warranty coverage are underwritten by First North American Insurance Company under Group Master Policy No. GC991.

This Group Master Policy provides the insurance described below for President's Choice Financial MasterCard Cardholders of the Policyholder. The records maintained at the offices of the Policyholder as to who is a Cardholder and as to the status of his/her Account shall determine the insurance provided under this Group Master Policy. The terms and conditions of the Group Master Policy No. GC991 are summarized in this Certificate. In addition, the benefits are subject to all of the terms and conditions of the Group Master Policy, which is on file with the Policyholder.

No person is eligible for coverage under more than one certificate of insurance under the Group Master Policy. In the event that any person is recorded by the Insurer as an "Insured Person" under more than one such certificate or policy, such person shall be deemed to be insured only under the certificate or policy which affords that person the greatest amount of insurance coverage. In no event will a corporation, partnership or business entity be eligible for the insurance coverage provided by this Certificate of Insurance.

First North American Insurance Company office is located at 2 Queen Street East, P.O. Box 4213, Station A, Toronto, Ontario, M5W 5M3.

### Definitions

**"Account"** means the Cardholder's President's Choice Financial MasterCard account which is in Good Standing with the Policyholder.  
**"Cardholder"** means a natural person ordinarily resident in Canada who is issued the primary President's Choice Financial MasterCard on an Account by the Policyholder and whose Account is in Good Standing. Cardholder may also be referred to herein using "You" or "Your".

**"Cardholder Agreement"** means the agreement made between the Cardholder and the Policyholder with respect to the President's Choice Financial MasterCard, as the same may be amended from time to time.

**"Certificate"** means this Certificate of Insurance.

**"Dollars"** and **"\$"** mean Canadian dollars.

**"Effective Date"** means the date You are enrolled for coverage by President's Choice Bank, which is the date that You became a Cardholder.

**"Good Standing"** means being in full compliance with all of the provisions of the Cardholder Agreement in force between the Cardholder and the Policyholder, as amended from time to time.

**"Insured Person"** means an eligible Cardholder and, where specified, his/her spouse and eligible dependent children.

**"Mysterious Disappearance"** means the article of personal property subject of the claim cannot be located, and the circumstances of its disappearance cannot be explained, or do not lend themselves to a reasonable inference that a theft occurred.

**"Policy"** means Group Master Policy No. GC991 issued by First North American Insurance Company to the Policyholder.

**"Policyholder"** means President's Choice Bank.

**"President's Choice Financial MasterCard"** means a President's Choice Financial MasterCard card issued by the Policyholder.

**"We", "Us", "Our"** or **"Insurer"** means First North American Insurance Company.

**"You"** or **"Your"** means the Cardholder.

### General provisions

Unless otherwise expressly provided herein or in the Policy, the following general provisions apply to the benefits described in this Certificate of Insurance.

**Notice of Claim:** Written notice of claim must be given to the Insurer within forty-five (45) days after the occurrence or commencement of any loss covered by this Certificate, or as soon thereafter as is reasonably possible, but in all events written notice of claim must be given to the Insurer within ninety (90) days after the occurrence or commencement of any loss covered by this Certificate. Written notice must be sent to the Insurer at the following address: President's Choice Financial MasterCard Insurance Claims, c/o Manulife Financial, 2 Queen Street East, P.O. Box 4213, Station A, Toronto, Ontario, M5W 5M3. Written notice given by or on behalf of the claimant or the beneficiary to the Insurer with information sufficient to identify the Cardholder shall be deemed notice to the Insurer.

**Claim Forms:** The Insurer, upon receipt of a written notice of claim, will furnish to the claimant appropriate claim forms. If such forms are not furnished within fifteen (15) days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in this Certificate for filing proof of loss, written proofs covering the occurrence, the character and the extent of the loss for which claim is made.

**Proof of Loss:** The appropriate Insurer claim forms together with written proof of loss must be provided to the Insurer at the address set out above within ninety (90) days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate or reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible, but in all events such proof must be given to the Insurer within one (1) year from the date on which the loss (which is the subject of the claim) occurred.

**Time of Payment of Claim:** Benefits payable under this Certificate will be paid upon receipt of due written proof of such loss.

**Payment of Claims:** All benefits will be payable to the Cardholder in whose name the Account is maintained.

**Termination of Coverage:** An Insured Person's coverage will automatically terminate on the date when: the Insured Person for any reason ceases to fall within the definition of Insured Person; the Group Master Policy is terminated as provided in the Group Master Policy; or the Cardholder notifies the Policyholder to cancel the Account. No losses incurred after such termination date will be paid.

**Misrepresentation and Fraud:** This entire Certificate shall be null and void if, whether before or after a claim is made, the Insured Person has concealed or misrepresented any material fact or circumstance concerning this Insurance or the subject thereof, or the interest of the Insured Person therein, or in the event of any fraud, attempted fraud or false swearing by the Insured Person relating thereto.

**Subrogation:** Following the Insurer's payment of an Insured Person's claim for loss or damage, the Insurer shall be subrogated to the extent of the amount of such payment, to all of the rights and remedies of the Insured Person against any party in respect of such loss or damage, and shall be entitled at its own expense to sue in the name of the Insured Person. The Insured Person shall give the Insurer all such assistance as the Insurer may reasonably require to secure its rights and remedies, including the execution of all documents necessary to enable the Insurer to bring suit in the name of the Insured Person.

**Legal Action:** No action at law or in equity shall be brought to recover on this Certificate prior to the expiration of sixty (60) days after proof of loss has been furnished in accordance with the requirements of this Certificate, nor shall any such action be brought at all unless commenced within one (1) year after the date of the loss.

### 1. Purchase Assurance Benefits

In effect when You charge the full cost of covered personal property items to Your Account.

Purchase Assurance benefits are available automatically, without registration, to protect most new items of personal property purchased by a Cardholder with a President's Choice Financial MasterCard for ninety (90) days from the date of purchase against all risk of direct physical loss, theft or damage, anywhere in the world, to the extent that such items are not otherwise protected or insured in whole or in part. Items which the Cardholder gives as a gift are also covered; however, the Cardholder, not the recipient of the gift, must make any claim for benefits. If any such item is lost, stolen or damaged, it will be replaced or repaired or the protected Cardholder will be reimbursed for the purchase price, at the Insurer's discretion.

**Limitations and Exclusions:** Purchase Assurance benefits are only available to the extent that the item in question is not otherwise protected or insured in whole or in part. Purchase Assurance benefits are not available in respect of the following items:

- (a) traveller's cheques, cash or equivalents (whether paper or coin), tickets, bullion, negotiable instruments or other numismatic property;
- (b) animals or living plants;
- (c) mail order purchases until delivered and accepted by the Cardholder;
- (d) golf balls;
- (e) automobiles, motorboats, airplanes, motorcycles, motorscooters, snowblowers, riding lawn mowers, golf carts, lawn tractors or any other motorized vehicles (except for miniature electrically powered vehicles intended for recreational use by children) or any of their respective parts or accessories;
- (f) items purchased and/or used by or for a business or for commercial gain;
- (g) perishables such as food, liquor and/or goods consumed in use; or
- (h) items lost or stolen from vehicles or in the care or custody of shippers.

Purchase Assurance benefits are also not available for jewellery lost or stolen from baggage unless such baggage is hand carried under the personal supervision of the Cardholder or the Cardholder's travelling companion (with the Cardholder's knowledge).

Purchase Assurance benefits are also not payable for items lost or stolen from a public or unoccupied place unless they are locked up and/or are continuously attended to.

Loss, theft or damage resulting from fraud, abuse, hostilities of any kind (including war, invasion, rebellion or insurrection), confiscation by authorities, risks of contraband, illegal activities, normal wear or tear, flood, earthquake, radioactive contamination, Mysterious Disappearance and loss resulting from inherent product defects are not covered. Consequential damages and attorney's fees are not covered. (See Additional Provisions.)

**Limits of Liability:** For the Purchase Assurance benefits there is a lifetime maximum of \$50,000 per Account and per primary Cardholder as well as a maximum of \$1,000 per incident. The primary Cardholder will be entitled to receive no more than the original purchase price or portion of the purchase price of the protected item as recorded on the President's Choice Financial MasterCard sales receipt. Where a protected item is part of a pair or set, the primary Cardholder will receive no more than the value of the particular part or parts lost, stolen or damaged regardless of any special value that the item may have as part of an aggregate purchase price of such pair or set.

The Insurer, at its sole option, may elect to: (a) repair, rebuild or replace the item lost or damaged (whether wholly or in part), upon notifying the Cardholder of its intentions to do so within sixty (60) days following receipt of the required proof of loss, or (b) pay cash to the Cardholder for said item, not exceeding the lesser of the original purchase price thereof and the replacement or repair cost thereof, and subject to the exclusions, terms and limits of liability as stated in this Certificate of Insurance.

**Other Insurance:** Purchase Assurance coverage is in excess of all other applicable valid warranty, insurance, indemnity or protection available to the Cardholder in respect of the item subject to the claim. The Insurer will be liable only for the excess of the amount of the loss, theft or damage over the amount covered under such other insurance, indemnity or protection and for the amount of any applicable deductible, only if all other coverage has been exhausted and subject to the exclusions, terms and limits of liability set out in this Certificate of Insurance. This coverage will not apply as contributing insurance, notwithstanding any provision in any other insurance, indemnity or protection policies or contracts.

## 2. Extended Warranty Benefits

In effect when You charge the full cost of covered personal items to Your Account.

Extended Warranty benefits are available automatically, without registration, to provide Cardholders with double the period of repair services otherwise provided by the original manufacturer, in accordance with the terms of the original manufacturer's warranty (excluding any Extended Warranty offered by the manufacturer or any third party), to a maximum of one (1) full year on most items purchased new in Canada, or purchased new worldwide with a President's Choice Financial MasterCard if there is a warranty valid in Canada (provided that in all cases, automatic coverage is limited to original manufacturer's warranties of five (5) years or less). Items which the Cardholder gives as a gift are also covered; however,

the Cardholder, not the recipient of the gift, must make any claim for the benefits.

Most original manufacturer's warranties over five (5) years will be covered if registered with the Insurer within the first year after purchase of the item. To register a purchased item with a warranty over five (5) years for Extended Warranty, the Cardholder must send copies of the vendor sales receipt (if any), customer copy of the President's Choice Financial MasterCard sales receipt, serial number of the item (if available) and the original manufacturer's warranty which is valid in Canada for the product to the Insurer at the following address: President's Choice Financial MasterCard Insurance Claims, c/o Manulife Financial, 2 Queen Street East, P.O. Box 4213, Station A, Toronto, Ontario, M5W 5M3.

**Limitations and Exclusions:** The Extended Warranty ends automatically upon the date when the original manufacturer ceases to carry on business for any reason whatsoever. The Extended Warranty does not cover:

- (a) used, rebuilt or remanufactured items;
- (b) computer hardware, accessories or peripherals, computer repair or software; or
- (c) automobiles, motorboats, airplanes, motorcycles, motorscooters, snowblowers, riding lawn mowers, golf carts, lawn tractors or any other motorized vehicles (except for miniature electrically powered vehicles intended for recreational use by children) or any of their respective parts or accessories.

The Extended Warranty will only apply to any parts and/or labour costs resulting from mechanical breakdown or failure of a protected item, or any other obligations that were specifically covered under the terms of the original manufacturer's warranty that is valid in Canada. Bodily injury, property damages, consequential damages, punitive damages, exemplary damages and lawyers' fees are not covered. Coverage is limited to the lesser of the amount charged to Your President's Choice Financial MasterCard or \$10,000.

**Other Insurance:** Extended Warranty coverage is in excess of all other applicable valid warranty, insurance, indemnity or protection available to the Cardholder in respect of the item subject to the claim. The Insurer will be liable only for the excess of the amount of the loss or damage over the amount covered under such other insurance, indemnity or protection and for the amount of any applicable deductible, only if all other coverage has been exhausted and subject to the exclusions, terms and limits of liability set out in this Certificate of Insurance. This coverage will not apply as contributing insurance, notwithstanding any provision in any other insurance, indemnity or protection policies or contracts.

## Additional Provisions: Purchase Assurance and Extended Warranty Benefits

### Notice of Loss/Proof of Loss/Payment of Claim:

The Cardholder must keep copies of receipts and other documents described herein to file a valid claim, and shall notify by telephone the Insurer at 1-866-744-5737 immediately after learning of any loss or occurrence. The Insurer, upon receipt of such notice of claim by telephone, will furnish to the Cardholder appropriate claim forms. If such forms are not furnished within fifteen (15) days after the giving of such notice, the Cardholder shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in this Certificate for filing claim forms, written proof covering the occurrence in full detail, the character and the extent of the loss or occurrence for which claim is made.

In addition, the Cardholder must, within ninety (90) days from the date of the loss or occurrence, complete and sign an Insurer Claim Form, which will be provided by the Insurer, and return it to the Insurer at the following address: President's Choice Financial MasterCard Insurance Claims, c/o Manulife Financial, 2 Queen Street East, P.O. Box 4213, Station A, Toronto, Ontario, M5W 5M3. The signed claim form completed by the Cardholder must contain the time, place, cause and amount of loss, including the copy marked "Customer Copy" of the President's Choice Financial MasterCard sales receipt, vendor sales receipt, copy of the original manufacturer's warranty where applicable, and a police, fire, insurance claim or loss report or other report of the occurrence of the loss sufficient for determination of eligibility for the benefits hereunder. Failure to furnish such claim form within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to provide such claim form within such time, provided it is furnished as soon as reasonably possible. Prior to proceeding with any repair services the Cardholder must notify and obtain approval of the repair services and repair facility from the Insurer. At the Insurer's sole discretion, the Cardholder may be required to send, at his or her own expense, the damaged item on which a claim is based to an address designated by the Insurer. The Insurer's payment made in good faith will discharge the Insurer to the extent of the claim.

**Benefits for Cardholder Only:** Purchase Assurance and Extended Warranty benefits are provided only to the primary Cardholder. No other person or entity shall have any right, remedy or claim, legal or equitable, to the benefits. The primary Cardholder shall not assign these benefits other than benefits for gifts as expressly provided in this Certificate of Insurance.

**Due Diligence:** The Cardholder shall use diligence and do all things reasonable to avoid or diminish any loss of or damage to property protected by the Policies.

**Modification of Contract:** No agent can change this Certificate or alter its terms. Changes can be made only by written endorsement signed by Donald A. Guloien, President and Chief Executive Officer.

**Conformity with Statutes:** Any part of this Certificate which, on its Effective Date, conflicts with the federal statutes or statutes of the province where it is delivered to You is changed to conform to the minimum standards of those statutes.



All coverages underwritten by First North American Insurance Co. and administered by Manulife Financial.

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