

CAA MYPACE™ TERMS AND CONDITIONS

Section 1. CAA MYPACE INTRODUCTION

Your participation in CAA's MyPace auto insurance billing plan ("Program"), including the use of the telematics device ("Device"), is conditional on your express acceptance of these terms and conditions.

It is **very important** that you, as a participant, read the following so that you understand how CAA Insurance Company ("CAA") collects, uses, safeguards, discloses and retains the information ("Data"), transmitted by the Device and how your insurance premium will be calculated and billed as part of the Program.

The Program is optimal for you if you drive 9,000 kilometres or less on an annual basis. You are able to purchase insurance in 1,000 kilometre increments, within a 12-month policy term thereby controlling your costs by driving less, as set forth in Section 4 below. An automatic reload of 1,000 kilometre increments will occur within the 12-month policy term each time the previous increment has been exhausted. The Device monitors your use of kilometres and alerts will be sent by CAA when each 1,000 kilometre increment is close to being exhausted. Please see Section 3 below for more details.

Participation in the Program is voluntary. You are not required to participate in the Program in order to purchase insurance, instead you may choose CAA's traditional auto insurance product. By participating in the Program, you will be voluntarily waiving the right to the monthly payment options for the kilometre portion of the premium.

By enrolling in the Program, you consent to receiving electronic communications from CAA for the purposes of providing alerts related to your kilometre usage.

If you do not agree with all of these terms and conditions, you should not participate in the Program.

Section 2. REQUIREMENTS FOR THE PROGRAM

2.1 Minimum Vehicle Requirements to Participate in the Program

Not all makes and models are eligible to participate in the Program as some vehicles are not compatible with the Device. This includes but is not limited to electric vehicles, diesel vehicles with a model year 2005 and older, and all vehicles older than 1997. Some vehicles may be deemed incompatible due to unforeseen circumstances after enrolment in the Program.

2.2 Installation of Device

The Device must be plugged into your vehicle within 10 days of the device being received by you, or within 48 hours of your policy effective date, whichever comes first.

2.3 Continuous Use of Device

The Program requires the continuous transmission of Data from the Device to CAA to allow us to accurately measure the kilometres driven. In order to be eligible for participation in the Program, the Device must be plugged into your vehicle 100% of the time during the policy period, unless otherwise authorized by CAA. You may remove the Device prior to taking your vehicle in for service or emission testing. Once the vehicle is returned to your possession, you must verify that the Device is reinstalled properly.

2.4 Removal from this Program for Non-Compliance

If CAA believes that you have intentionally removed the Device in order to avoid measuring your kilometre usage, CAA has the right to remove you from the Program. If CAA determines that the Device is not plugged in within 48 hours of the policy effective date (see Section 2.2), or at any time during the policy term (except during vehicle servicing, emissions testing, or as otherwise authorized by CAA, see Section 2.3), CAA reserves the right to remove you from the Program and/or offer you coverage under CAA's traditional auto insurance product.

2.5 Device Transfer to a Replacement Vehicle

If you replace the described vehicle in which the Device is installed with a newly acquired vehicle and *the newly acquired vehicle is insured under this policy*, you will be required to transfer the Device from the described vehicle to the replacement vehicle.

Any change in premium resulting from replacing the vehicle will be calculated by CAA and notice will be sent to you separately.

2.6 Interaction with your Vehicle's Battery

Once connected to your vehicle, the Device will use a negligible amount of current from your vehicle's battery, even when the vehicle is not running.

Section 3. CAA MYPACE PROGRAM DETAILS

3.1 Program Qualification

CAA MyPace payment program is optimal for you if you drive 9,000 kilometre or less on an annual basis. The Program is entirely voluntary and is designed to provide flexibility and choice for you. The Program offers identical coverage to CAA's traditional auto insurance product with the exception of billing you for kilometre usage.

3.2 Program Design

The Program:

- Requires the installation of a Telematics device into your vehicles OBDII port;
- Allows you to purchase insurance in 1,000 kilometre increments;
- Is made up of 2 premium components:
 1. The kilometre premium portion, which is the premium portion for coverages while the vehicle is driven;
 - a. The kilometer portion of your premium requires you to use your Credit Card or pre-authorized debit for payment upon exhaustion of each 1,000 kilometre increment.
 2. Non-kilometre premium portion, which is the premium portion for coverages, such as, Comprehensive, Accident Benefits, Direct Compensation - Property Damage;
 - b. The non-kilometre portion of your premium allows you to choose between two payment options:
 - i) Lump-sum payment; or
 - ii) Monthly payment plan.
- If you reach the same cost as CAA's traditional auto insurance product, the Program allows you the choice to remain in the Program or transfer your policy without penalty to CAA's traditional auto insurance product with a new policy term.
- Allows you to carry over unused kilometres on policy renewal as further explained in Section 4.5, if you have unused kilometres when the policy is set to renew.

3.3 Limitation of Vehicles

The Program is limited to a maximum of one vehicle per policy.

3.4 Purchase of Kilometres

The Program is designed to automatically reload 1,000 kilometre increments within the 12-month policy term once the previous increment has been exhausted.

Your payment method on file, such as credit card or pre-authorized debit will be automatically billed for the next 1,000 kilometre increment.

During each 1,000 kilometre increment purchased, you will be notified via alerts from CAA. Alerts can be provided to you in one or more of the following forms:

- Via SMS/Text message;
- An e-mail;
- An invoice; and
- A message on the portal.

You can monitor your usage at any time by logging onto your "My Account" on www.caamypace.com ("Online Portal") and/or using the CAA MyPace mobile application.

You will be notified four (4) times during each 1,000 kilometre increment usage:

- **At 750 kilometres** – an Email/SMS notification will let you know that you have reached 75% of your 1,000 kilometre increment;
- **At 900 kilometres** – an Email/SMS notification will advise you that you have reached 90% of your purchased kilometres. In this notification, you will be given the option to suspend the billing if you only want to drive up to the 1,000 kilometre purchased without being charged for a new 1,000 kilometre increment. If CAA determines that the vehicle has been driven beyond the 1,000 kilometre increment purchased, CAA will automatically charge your chosen payment option for the next 1,000 kilometre increment;
- **At 950 kilometres** – an Email/SMS notification and an Invoice notification will let you know that you are 95% through the use of the 1,000 kilometre purchased. You will be automatically billed for the next 1,000 kilometre increment. Please see Section 4 below which details how premium is charged under the Program; and
- **Upon successful or unsuccessful 1,000 kilometre increment payment** – an Email notification will let you know that your payment was received successfully or if your payment was declined.

Section 4. PREMIUM CHARGES FOR PROGRAM

4.1 Premium Components

There are two (2) premium components for the Program. The first is the premium that you pay for every 1,000 kilometre purchased. The second is the premium for the non-kilometre portion for coverages not related to kilometres driven such as Comprehensive, Accident Benefits, and Direct Compensation - Property Damage.

4.2 How is Premium Charged?

There are two payment options available to you for the non-kilometre portion of the premium with the Program. At the time of binding the policy you will need to choose either the lump-sum payment option or the monthly payment option for the non-kilometre portion of the premium. A service fee is applicable to the monthly payment plan option for the non-kilometre portion of the premium.

At each 1,000 kilometre increment, billing options will either be by credit card or pre-authorized payment from your debit card. This is not subject to any service fee from CAA.

Option 1: Lump-sum Payment (for non-kilometre premium portion)

At the time of policy issuance you are responsible for the full payment of the non-kilometre premium portion of your insurance, plus the cost of purchasing the first 1,000 kilometre increment.

Example: Cost related to non-kilometre premium portion of policy is \$900 and cost for each 1,000 kilometre increment is \$500, purchased twice in the year.

	Up Front Cost				Purchase 1,000 Kilometre				Purchase 1,000 Kilometre					
Date	Jan 1	Feb 1	Mar 1	Apr 1	Apr 15	May 1	Jun 1	Jul 1	Jul 15	Aug 1	Sep 1	Oct 1	Nov 1	Dec 1
Non-kilometre premium portion	\$900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Kilometre premium portion	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	
Total Payment	\$1,400	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	

Option 2: Monthly Payment (for non-kilometre premium portion)

At the time of policy issuance you are responsible for the first 2 monthly payments for the non-kilometre premium portion of your insurance, plus the cost of purchasing the first 1,000 kilometre increment.

Example: Cost related to non-kilometre premium portion of policy is \$78 per month and cost for each 1,000 kilometre increment is \$500, purchased twice in the year.

	Up Front Cost				Purchase 1,000 Kilometre				Purchase 1,000 Kilometre					
Date	Jan 1	Feb 1	Mar 1	Apr 1	Apr 15	May 1	Jun 1	Jul 1	Jul 15	Aug 1	Sep 1	Oct 1	Nov 1	Dec 1
Non-kilometre premium portion	\$156	\$78	\$78	\$78	\$0	\$78	\$78	\$78	\$0	\$78	\$78	\$78	\$78	
Kilometre premium portion	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	
Total Payment	\$656	\$78	\$78	\$78	\$500	\$78	\$78	\$78	\$500	\$78	\$78	\$78	\$78	

4.3 Non-Sufficient Funds (NSF)

Should your payment be declined, you will be contacted by CAA for payment. Failure to reach you and/or to receive payment will result in:

- CAA notifying you via email/SMS/registered letter of the missed payment;
- For declined 1,000 KM increment payments:
 - i. No action being taken until you drive the 1st kilometre in the new 1,000 kilometre increment (i.e., 1,001 kilometre);
 - ii. Once the new increment is reached and payment has not been received, CAA will invoke its cancellation process, in accordance with the terms of the policy, which may result in your policy being cancelled for non-payment.
- For declined non-KM scheduled payments:
 - i. If payment has not been received by the due date, CAA will invoke its cancellation process, in accordance with the terms of the policy, which may result in your policy being cancelled for non-payment.

4.4 CAA MyPace Program cost equals CAA's traditional auto insurance product

If CAA has determined that the premium cost for the Program is equal to CAA's traditional auto insurance product, then you will be given the option to cancel and enter into a new policy under CAA's traditional auto insurance product with a new policy term.

You will be notified three (3) times as you approach 9,000 kilometre usage.

- **At 6,750 kilometres** – an Email/SMS notification will let you know that you have reached 75% of the annual 9,000 kilometre usage;
- **At 8,100 kilometres** – an Email/SMS notification will advise you that you have reached 90% of your annual 9,000 kilometre usage. In this notification, you will be given the option to discuss with a CAA Agent/Broker the best course of action for you based on your kilometre usage; and
- **At 8,550 kilometres** – an Email/SMS notification will let you know that you are 95% through the use of the annual 9,000 kilometre usage. You will be asked whether you wish to stay with the Program or transfer to CAA's traditional auto insurance product. Should you wish to transfer to CAA's traditional auto insurance product, a new policy will be issued to you with a new policy term. **Please note that any unused kilometres from the Program are not transferable to CAA's traditional auto insurance product.**

4.5 Policy Renewal

You will carry over any remaining unused kilometres from your most recent 1,000 kilometre increment purchased into your renewal term. Billing for the first 1,000 kilometre increment at the renewal term rates occurs when you reach 950 of the 1,000 kilometre increment that was carried over.

If a premium decrease occurs upon renewal resulting in a reduction of more than \$5 in premium for the carryover kilometres, CAA will issue a premium adjustment. If you are driving on carried over kilometres during the new policy term and are involved in an accident, CAA will provide you with the coverage which has the greatest protection.

Section 5. THE DATA

5.1 Data Captured by the Device

The Device is a piece of electronic equipment, including connections and related wiring, which records and transmits vehicle usage Data such as, distance travelled, driving behaviour, vehicle diagnostic information and information relating to geographic positioning, as set forth below, to CAA. By participating in the Program, you are consenting to the collection, use, disclosure and retention of the Data and the other terms and conditions as set out herein.

YOU ARE RESPONSIBLE TO NOTIFY ANY DRIVER OF THE ENROLLED VEHICLE OF THE PRESENCE OF THE TELEMATICS DEVICE IN THE ENROLLED VEHICLE AND OF THE FACT THAT THE DEVICE WILL BE RECORDING AND TRANSMITTING COLLECTED DATA TO CAA AND ITS APPOINTED SERVICE PROVIDER.

For the purposes of the Program, the Device must be installed into your vehicle to record information about the kilometres that you drive.

For the Program, only the number of kilometres driven is analyzed. However, the Device also collects the following Data:

• Vehicle identification number (VIN)	• Vehicle diagnostic information
• Connected or Disconnected	• Number of kilometers driven
• Time	• Vehicle speed
• Date	• Accelerometer data
• Vehicle location (GPS)	

You will be charged for 1,000 kilometre increments as detailed in Section 3.

5.2 What Happens to the Data Once it is Collected?

All of the Data is routed through our appointed Service Provider and stored at CAA.

CAA and/or its appointed Service Provider will process this information securely. All Data will remain on servers belonging either to CAA or its appointed Service Provider. At this time CAA's appointed Service Provider is Octo Telematics North America, LLC (Octo). We will ensure that at all times, our Service Provider protects your Data with at least the same level of security and care as does CAA. If our service provider changes, you will be notified in accordance with Section 7 below.

5.3 Your Access to the Data

You will be able to access your Data via our secure online portal as well as the CAA MyPace mobile application (“App”), if installed on your mobile device. Access to this online portal and or the App will be granted to you once you become a Program participant. Data in the portal, including the information set forth in Section 5.1 above, for the vehicle enrolled in the Program will be visible to all drivers of the enrolled vehicle. You are responsible to notify any driver of the enrolled vehicle that such information will be visible to all other drivers of the vehicle.

Data will appear on the portal within 48 to 72 hours after the Data is transmitted to CAA.

5.4 Data Collected by the Device

The Data collected through the Program is used by CAA to build up a profile on how many kilometres are driven in the vehicle. Once the Data is transmitted to CAA, the Data will not be retained on the Device.

5.5 Withdrawing from Continuous Use of Data

In the event you withdraw from the Program or are removed by CAA for non-compliance under Section 2.4, CAA will continue to use the Data collected on an aggregate basis from the Device for analytics.

You may opt out of CAA’s use of Personal Information by writing to us at CAA Insurance Company, 60 Commerce Valley Drive East, Thornhill, Ontario L3T 7P9, Attention: Privacy Office or by electronic mail to privacy@caasco.ca.

5.6 How We Will Not Use the Data

For the purpose of the Program, “Personal Information” includes your name, address, and Vehicle Identification Number (VIN) and also includes the driving Data collected by the Program. CAA will not otherwise use Personal Information or disclose or transfer Personal Information to any other third party unless otherwise indicated.

CAA will not use the Data: (i) to cancel your current automobile insurance policy; (ii) to refuse renewal of an automobile insurance policy; (iii) to apply surcharges to your current or future renewed automobile insurance policy, or (iv) for marketing purposes.

5.7 Limitations on Privacy Protection of Your Data

The Data collected and stored at CAA or its appointed Service Provider may be disclosed to third parties, as required by law.

Data collected from the Device may be provided to third parties in relation to an accident, investigation and/or other litigation as required by law. For instance, the Data may be useful in determining the cause of an automobile accident. If your vehicle is in an accident, we may be under a legal obligation to preserve the Data transmitted from the Device. This information may be sought by opposing parties in a civil lawsuit or by police when investigating the cause of an accident, or we may be legally obligated to provide such information in response to a subpoena or as otherwise required by law.

CAA and its appointed Service Provider may be legally required to disclose the Data to others or their legal counsel and therefore, any participant in the Program should not expect under all circumstances to retain Data privacy or confidentiality. Nevertheless, we can assure you that CAA will not disclose or use the Data to resolve any first party claims that you or another driver of your vehicle may file against CAA without first obtaining your prior written consent.

Section 6. ABOUT THE DEVICE

6.1 Property of CAA

All rights, title and interest to the Device are retained by CAA. All rights, title and interest to the software remain with CAA’s appointed Service Provider, Octo. You may not alter, duplicate, make copies, reverse engineer, disassemble, decompile or create derivative works from the Device or software or otherwise attempt to derive the source code.

If you no longer wish to participate in the Program, you must return the Device to CAA. Failure to return the Device to CAA in a timely manner and in good, working condition (normal wear and tear excepted) could result in a charge to you of up to **\$150** for each Device.

If you sell your vehicle or turn in a leased vehicle, you must ensure that the Device is removed.

6.2 Installation of Device

You will be responsible for the safe installation of the Device into your vehicle. In some instances, it may be necessary to use an extension cable if the Device can not fit in the space in front of the port. CAA may include a cable with its shipment of the Device. If you are unable to install the Device and/or the cable safely into your vehicle, CAA will be glad to assist you.

You may remove the Device prior to taking your vehicle in for service or emission testing. Once the vehicle is returned to your possession, you must verify that the Device was reinstalled properly.

6.3 Interruptions in the Collection of Data

The Device transmits data from the OBD-II port via a cellular network where it is collected, analyzed and stored at CAA. The collection and transmission of Data by the Device may occasionally be impaired or interrupted by operational or atmospheric conditions, power failures or other causes, including without limitation, network coverage, government regulation or other situations, conditions or events beyond the reasonable control or capabilities of the Device or CAA.

Where it is possible to do so, we will rectify any interruptions to the transmission of the Data.

6.4 Repair or Replacement of Device

If the Device is faulty, we will contact you immediately to repair or replace the Device, free of charge.

If, during the Program, you suspect that the Device is defective for any reason, you must notify us as soon as possible so that CAA can arrange to correct the fault. If CAA or our appointed Service Provider, Octo, is unable to repair the Device remotely, CAA will contact you to agree to a time and location to repair (or replace) the Device.

In the event of loss of, or damage to, the Device as a direct result of an incident involving the participant's vehicle, CAA will pay for the repair of the Device or the replacement of the Device.

Section 7. DISCLAIMER, LIMITATIONS AND EXCLUSIONS

Neither CAA nor its appointed Service Provider makes any warranty of any kind regarding the Device, the cable or the services associated with the Program, which are provided on an "as is" basis.

Other than as expressly set out in these Terms and Conditions, CAA and its appointed Service Provider expressly disclaim any representation or warranty that the Device or services associated with the Program will be error-free, secure or uninterrupted.

CAA agrees to be responsible for damage to the vehicle in which the Device is installed which is solely caused by the Device. Supporting documents will be required to be submitted to CAA.

During the policy term, CAA reserves the right to modify these Terms and Conditions for minor non-substantive changes such as revisions to the grammar and or formatting, a change in the Service Provider, or an improvement to clarify the Terms and Conditions to make them clearer to understand. Significant changes to the Terms and Conditions will be made with your consent or you will be notified in writing upon policy renewal.

Section 8. TAMPERING

The Device is the property of CAA. Neither you nor any person acting on your behalf, may tamper with, dismantle or attempt to remove any part of the Device or tamper with the signals emitted from the Device.

Please be advised that the Device has tamper controls and safeguards that will trigger an alert system in the event of any unauthorized tampering with the Device. An investigation will be initiated and a physical inspection of the Device by CAA will be required if the alert system is triggered. Any damage or loss caused by any form of tampering or non-permitted interaction with the Device will be your responsibility during the Program as outlined in section 6.1.

Section 9. GOVERNING LAW

The terms and conditions on this form and the rights and obligations of CAA and Program participants will be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 10. NAMED INSURED CONSENT

Except as otherwise provided in this change form, all limits, terms, conditions, provisions, definitions and exclusions of your automobile insurance Policy shall have full force and effect.

By signing this form, I consent as the named insured to install the Device, and authorize CAA and its appointed Service Provider, Octo, to collect, use and disclose the Data as described in these terms and conditions.

Dated, this _____ day of _____, 20____

Named Insured