

## Damage Protection Plan (DPP)

### WHAT IS IT?

- Damage Protection Plan (DPP) is coverage we provide to our customers to reduce their risk. All equipment rentals are governed by Finning (Canada) / The Cat Rental Store's terms and conditions found at: [Rental-Terms-and-Conditions.pdf](#)
- It limits your risk in relation to both destruction and damages of the equipment you rent from Finning (Canada) / The Cat Rental Store (discussed in detail below).
- Customers may opt out of this program if proof of insurance is provided (discussed in detail on the following page).

### WHAT DOES IT COVER?

- All Risks Physical Damage Coverage on Rental Equipment (includes re-rentals)
- Subject to the exclusions set out below, the DPP covers the following losses:
  - Fire, theft or vandalism.
    - A police report or fire report will be required in any of these claims.
  - Accidental Damage (provided the equipment is not being misused at the time of damage), limited to:
    - Collision damage (to the rented equipment only)
    - Equipment roll-over
    - Hail damage
    - Impact damage (collision, equipment driven over)
    - Failure due to fluid leakage (engine fails because rad hose breaks)
    - Engine over-speed
    - Body damage
- Submission of a customer incident report detailing the loss is required for any DPP claim to be valid.

### WHAT DOESN'T IT COVER?

- This is not liability insurance. The customer is still responsible for liability coverage through their corporate policy or homeowner policy. No carrier will cover the liability for a third party.
  - Liability coverage for the cash customer should be covered by their personal/homeowner policy.
  - Account customers should be covered for liability by their general liability policy.
- DPP does not cover certain losses, including but not limited to:
  - Lack of maintenance
    - EG. Running low on oil because of extended service intervals.
    - EG. Not cleaning concrete products like mixers, trowels and vibrators.
  - Negligence
    - EG. Not chaining down when hauling.
    - EG. Over-spray on aerial equipment.
    - EG. Failing to take reasonable care in securing the equipment at the customer's site.
  - Misuse
    - EG. Damage caused from any use of the equipment outside of the manufacturer's recommendations for the specific make and model, including potentially damaging environmental conditions.
  - Glass damage
  - Tire damage
  - Excess undercarriage wear
  - Wear items such as:

- Bucket teeth
- Blades
- Chains
- Brushes
- Retrieval of Equipment
- Ground Engaging Tools
- Environmental contamination or cleanup
- Unapproved modifications to the equipment by the customer which cause damage or require repairs.
- Manufacturer warranty issues such as:
  - Mechanical break down
  - Latent defect
  - Explosion
  - These are covered by the manufacturers' warranty, not DPP. There is no deductible on these items.

### WHERE DOES IT APPLY?

- Account and non-account customers
  - Customers may choose Damage Protection Plan but have the option of waiving the coverage by providing proof of insurance coverage from their agent.
  - Proof of insurance consists of:
    - Certificate of property insurance showing specific or blanket rented equipment coverage, or
    - Letter of insurance confirming coverage on specific equipment showing Finning International Inc. as loss payee.
  - The proof of insurance must be provided otherwise DPP charges will apply.
  - Customers who have provided proof of insurance (discussed above) may still elect to be covered by DPP at their discretion.

### HOW MUCH DOES IT COST?

- The cost is only 14% of the rental charges.
  - EG. On the daily rental of a mini-excavator of \$300 the DPP charge is \$42.
  - EG. On the weekly charge of \$900 for a boom lift the DPP rate is \$126.
  - EG. On the monthly rental of a diesel plate for \$2,500 the DPP rate is \$350.
- Deductible:
  - On any claim, the customer has a deductible of:
    - 10% of the replacement cost of the rental unit to a maximum of \$2,500 on equipment replacement value up to \$125,000
    - \$5,000 on equipment replacement value \$125,001 to \$250,000
    - \$7,500 on equipment replacement value \$250,001 to \$375,000
    - \$10,000 on equipment replacement value \$375,001 to \$750,000
    - 2% of insured value on equipment replacement value \$750,001 and higher
  - Repair charges and deductibles are on a "per machine" basis. For clarity, in the event of loss or damage with multiple affected machines, repair charges and deductibles shall apply to each affected machine.
- DPP does not exempt the customer from payment of damages - it limits their risk.
- The deductible applies to both damages and repairs as well as total loss of the unit.
- In relation to damages and repairs, the lesser of the actual repair cost or the deductible would be charged.
  - EG. On a \$500 chainsaw which has sustained \$40 in damage, the charge would be the \$40,

as the damages were less than the deductible. On a \$35,000 236 skidsteer which has sustained \$8,000 in damage, the charge would be the deductible of \$2,500, which is less than the actual charges.

#### **WHO NEEDS IT?**

- Account and non-account customers who don't want to contact their insurance agent every time they want to add or remove a piece of equipment from their policy, in the absence of blanket coverage.
- It must be used when customers cannot provide proof of insurance coverage.

#### **WHY DO I NEED DPP?**

- Provides certainty of coverage and peace of mind.
- Provides an option for account customers who can provide proof of insurance coverage.
- Reduces the need to claim something on your own policy. Can reduce increases in premiums in the event of a claim.
- Easier than contacting your insurance broker with equipment change notices, especially on short term rentals.
- Recommended for the rental of pumps (reduced risk if an oversized object is inhaled).
- Recommended when small equipment is used with larger mobile equipment (drive overs).